

JUNE 18–19, 2015
FAIRFIELD, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting





CONTRACTORS STATE LICENSE BOARD

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June 18-19, 2015
Sheet Metal Workers' Local 104 Training Facility Assembly Hall
4350 Central Place, Fairfield, CA 94534**

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JUNE 18, 2015
FAIRFIELD, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting

DAY 1



AGENDA ITEM A

Call to Order Establishment of Quorum

Roll is called by the Board Chair or, in his/her absence, by the Board Vice Chair or, in his/her absence, by a Board member designated by the Board Chair.

Eight members constitute a quorum at a CSLB Board meeting, per Business and Professions Code section 7007.

Board Member Roster

KEVIN J. ALBANESE

AGUSTIN BELTRAN

LINDA CLIFFORD

DAVE DE LA TORRE

DAVID DIAS

SUSAN GRANZELLA

JOAN HANCOCK

PASTOR HERRERA JR.

ROBERT LAMB

ED LANG

MARLO RICHARDSON

FRANK SCHETTER

PAUL SCHIFINO

JOHNNY SIMPSON

NANCY SPRINGER



AGENDA ITEM B

Chair's Introductory Remarks and Board Member Comments

Board Chair David Dias will review the scheduled Board actions and make appropriate announcements.

Board members may comment on issues not on the agenda; they may not debate or vote on issues not included on the agenda notice.



AGENDA ITEM C

Public Comment Session for Items Not on the Agenda

(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)). The Board Chair will allow public comment during other agenda items at his/her discretion.

BOARD AND COMMITTEE MEETING PROCEDURES

To maintain fairness and neutrality when performing its adjudicative function, the Board shall not receive any substantive information from a member of the public regarding matters that are currently under or subject to investigation, or involve a pending or criminal administrative action.

- (1) If, during a Board meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be instructed to refrain from making such comments.
- (2) If, during a Board meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the Board will address the matter as follows:
 - (a) Where the allegation involves errors of procedure or protocol, the Board may designate either its Registrar or a board employee to review whether the proper procedure or protocol was followed and to report back to the Board.
 - (b) Where the allegation involves significant staff misconduct, the Board may designate one of its members to review the allegation and to report back to the Board.
- (3) The Board may deny a person the right to address the Board and have the person removed if such person becomes disruptive at the Board meeting.



AGENDA ITEM D

Registrar's Report



AGENDA ITEM D-1

Procedures Regarding CSLB Personnel's Interaction with Immigration and Customs Enforcement (ICE) Update



AGENDA ITEM D-2

Update on Sunset Review Process



AGENDA ITEM D-3

Proposal for a Board Meeting Regarding Presentation of CSLB Operations



AGENDA ITEM E

Enforcement



AGENDA ITEM E-1

Review and Possible Approval of April 27, 2015 Enforcement Committee Meeting Summary Report





CONTRACTORS STATE LICENSE BOARD

ENFORCEMENT COMMITTEE SUMMARY REPORT

ENFORCEMENT COMMITTEE MEETING

April 27, 2015
Sacramento, CA

A. CALL TO ORDER

Enforcement Committee Chair Bob Lamb called the Contractors State License Board (CSLB) Enforcement Committee meeting to order at 10:00 a.m. in the John C. Hall Hearing Room, located at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California, 95827. A quorum was established.

Committee Members Present

Bob Lamb, Chair
Kevin Albanese
Pastor Herrera Jr.
Frank Schetter

Committee Members Absent

Johnny Simpson

Board Members Present

Joan Hancock
Nancy Springer
Ed Lang

CSLB Staff Present

Cindi Christenson, Registrar	Laura Zuniga, Chief of Legislation
Cindy Kanemoto, Chief Deputy Registrar	Kristy Schieldge, Staff Counsel
David Fogt, Chief of Enforcement	Heather Young, Enforcement Staff
Christina Delp, Deputy Chief of Enforcement	Candis Cohen, Enforcement Staff
Karen Robinson, Chief of Licensing	Melanie Bedwell, Public Affairs Staff
Rick Lopes, Chief of Public Affairs	Steven Breen, Public Affairs Staff

CHAIR'S REMARKS

Committee Chair Bob Lamb congratulated Enforcement staff for a job well done. Mr. Lamb mentioned the recent 2014 Consumer Satisfaction survey, which showed improved ratings as compared with 2013. Eighty-two percent of complainants responded that CSLB representatives had treated them courteously.

Mr. Lamb updated the Committee on the Public Works Unit partnership with other state agencies, specifically the Labor Commissioner's office, to address employee wage theft and to assist with implementing the public works registration requirement.

Enforcement Chair Lamb informed the Committee that Enforcement staff has coordinated with the Monterey County District Attorney to organize a June 12, 2015, conference in Castroville to explore criminal investigation strategies to address the



underground economy. Representatives from the Monterey County District Attorney's office, Department of Insurance, and CSLB will appear at the event.

Committee Chair Lamb thanked Board Chair David Dias for securing the June 12 meeting location and for previously providing CSLB training locations in Santa Clara and San Leandro.

B. PUBLIC COMMENT

There was no public comment.

C. ENFORCEMENT PROGRAM UPDATE

Chief of Enforcement David Fogt presented the Enforcement Program Update. He provided highlights from the Intake and Mediation Center (IMC), which has achieved a record settlement of \$2.2 million thanks to the continued effectiveness of IMC Staff in resolving complaints.

Chief Fogt informed the Committee about increased complaints against solar contractors, including evidence of lending fraud, unregistered salespersons, and misrepresentation regarding energy savings. The Enforcement division has developed a comprehensive enforcement strategy to address these issues.

Mr. Fogt updated the Committee on the success of the Public Works Unit (PWU). The PWU has two full-time investigators who have taken a lead working with industry partners and CSLB's Public Affairs office, and conducted a conference/webinar with the Department of Labor Standards Enforcement attended by 235 people at CSLB Sacramento Headquarters on April 28, 2015.

Per the Board's direction, the Enforcement division created a service and repair task force, which has successfully identified the different types of services being perpetrated against consumers originating from telemarketing firms. Peace Officer Hugh Henderson updated the Committee on his current investigations centered on egregious elder abuse.

Chief Fogt reported that staff are meeting or exceeding Board expectations for complaint-handling production and cycle-time goals. Resolving construction-related complaints remains a high priority for Enforcement staff, and between July 2014 and March 2015, injured parties received more than \$8 million in financial restitution.

D. REVIEW, DISCUSSION AND POSSIBLE ACTION REGARDING 2015-16 ENFORCEMENT STRATEGIC PLAN OBJECTIVES

Chief Fogt and Deputy Chief Delp updated the Committee on the following Enforcement strategic plan objectives:



1. Establishment of Government Accounts to Obtain Court Records (fees paid)
2. Refine Proactive Strategies and Objectives (how Enforcement respond to leads)
3. Revision of Enforcement Procedures Manual
4. Update Regulation for Assessment of Civil Penalties

Additional Committee Member Objectives:

Committee Member Pastor Herrera Jr. made the following recommendations, which were supported by other Committee members.

1. Public Works - Review and revise the memorandum of understanding with the Labor Commissioner’s office
2. Solar Energy Schemes - Develop outreach, education, and enforcement strategies to address deceptive solar tactics

Committee Member Pastor Herrera Jr. also recommended possibly extending target due dates.

Staff Counsel Kristy Schieldge recommended amending the government account objective to include researching county court criminal records fee exemptions for government agencies or, alternatively, establishing an account to pay for the records.

Motion to Approve Proposed Enforcement Strategic Plan Objectives

MOTION: A motion was made by Committee Member Kevin Albanese and seconded by Committee Member Pastor Herrera Jr. to adopt the Enforcement Strategic Plan Objectives and present them to the full Board. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Frank Schetter	X				
Johnny Simpson				X	

E. REVIEW AND DISCUSSION REGARDING CONSUMER SATISFACTION SURVEY

Deputy Chief of Enforcement Christina Delp updated the Committee on the positive results of the 2014 Consumer Satisfaction Survey. The survey assesses overall satisfaction with the Enforcement division’s handling of complaints related to eight customer service topics. Compared with 2013, satisfaction increased in all categories, a result that Ms. Delp attributed to continual staff training.

F. REVIEW, DISCUSSION AND POSSIBLE ACTION REGARDING PROPOSED CHANGES TO MINIMUM CSLB PEACE OFFICER TRAINING STANDARDS



Enforcement Chief Fogt explained that many CSLB Peace Officers were hired during the recession, when other law enforcement agencies were either not hiring or were laying-off staff. However, now that other agencies have begun to hire again, CSLB finds itself at a competitive disadvantage. In the past 18 months, six peace officers have resigned, with five accepting positions at other agencies with significantly higher pay.

The Board adopted, at its December 11, 2012 meeting, the current peace officer training requirement that CSLB peace officers attend a full peace officer training academy, the POST-certified, 17-week Specialized Investigator Basic Course (SIBC), or equivalent. **Note: The minimum training standard for California peace officers, as specified in Commission Regulation 1005, is the 64-hour Penal Code 832 Arrest and Firearms Course (PC 832 Course).**

After much deliberation, the Enforcement division concluded that the SIBC is not necessary for CSLB peace officers. Moreover, the required 17-weeks of training discourages promising internal candidates at CSLB from applying for vacant peace officer positions.

Chief Fogt requested that the Enforcement Committee review current policy requiring completion of the SIBC (or equivalent) and consider recommending elimination of the SIBC requirement to the full Board, while retaining the mandatory Penal Code 832 training course.

Motion to Approve Proposed Changes to Peace Officer Training Standards

MOTION: A motion was made by Committee Member Kevin Albanese and seconded by Committee Member Pastor Herrera Jr. to approve minimum training standards for a CSLB peace officer as follows:

- After successful completion of a background investigation, candidates may be appointed as CSLB peace officers upon successful completion of POST-approved PC 832 training.
- Within the first year after appointment (i.e., during the probationary period), CSLB peace officers may be required to attend additional, POST-certified training which is CSLB job-related.
- Failure to complete the specified training requirements will result in removal from the peace officer position.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Pastor Herrera Jr.	X				
Robert Lamb	X				
Frank Schetter	X				
Johnny Simpson				X	



CSLB

ENFORCEMENT COMMITTEE SUMMARY REPORT

H. ADJOURNMENT

Enforcement Committee Chair Bob Lamb adjourned the meeting 12:00 p.m.

AGENDA ITEM E-2

Enforcement Program Update

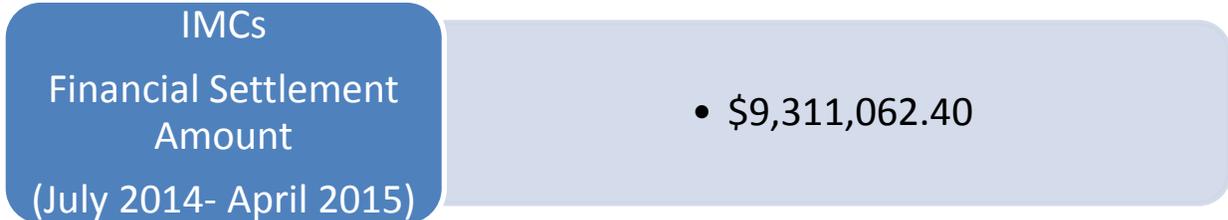




2014 CONSUMER SATISFACTION SURVEY: CSLB UP IN NEARLY EVERY CATEGORY

CSLB’s Testing division conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement division’s handling of complaints in the following categories: timeliness and responsiveness to complaints; clarity, frequency, and effectiveness of investigator communication; courteousness of CSLB representatives; complaint resolution; and overall satisfaction with CSLB service. For 2014, results in seven out of the eight categories are up from 2013, with one category remaining the same – 82 percent of respondents in both 2013 and 2014 said that CSLB representatives treated them courteously. The 2014 results mark a five percent total improvement in consumer satisfaction from 2013, with the largest improvements in “timely processing of complaints” and “overall satisfaction with CSLB service.”

INTAKE AND MEDIATION CENTERS (IMC)



Over Three Million Dollars Paid to Financially Injured Persons in March 2015

In March 2015, the Intake and Mediation Centers, which deal with consumer complaints against contractors, showed total savings to the public (STP), where CSLB issued an order of correction or restitution in a case against a contractor, of \$3,077,232. This constitutes a nearly \$2.5 million increase from the amount recorded in February 2015, thanks in large part to a \$2.2 million settlement in a single case, mediated by CSLB, between a contractor and his subcontractor on a solar project. In addition, IMCs settled 44 percent of incoming licensee cases, an 11 percent increase from February 2015. Eleven previously uninsured contractors obtained workers’ compensation policies. The unit also issued twelve citations to contractors who failed to obtain required building permits. The Enforcement division continues to educate contractors and the public about the importance of compliance with building laws and codes.

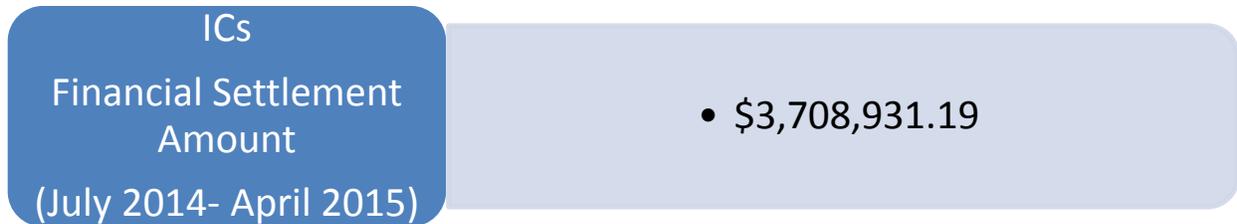
“I am so Grateful to be Financially Whole Again” a Consumer Tells CSLB

An IMC Consumer Services Representative and the Enforcement Representative who investigated the case read these words, and more, in a letter from a grateful Rancho Cucamonga resident in May 2015. Between staff mediation, settlement, and a bond claim, the homeowner received nearly all of the \$26,000 she had surrendered to a



licensee who had abandoned work on a complete remodel of her new home back in July 2014. The complete the project required an additional \$71,000 and a new contractor, but the homeowner expressed her gratitude for CSLB’s help in compelling the first licensee to provide her restitution.

INVESTIGATIVE CENTER HIGHLIGHTS



Electrician Certification Workshop: Labor Code Requirements Enforced by CSLB

A Labor Code provision enacted in 2002 provided for the discipline of C-10 electrical contractors who employed anyone performing electrical work that was not certified. But CSLB was not given explicit authority to enforce this provision until 2010, and a memorandum of understanding with the Department of Industrial Relations on the topic was not finalized until 2012. Since that time, the Enforcement division has periodically reviewed the topic with industry professionals to ensure effective enforcement and to educate interested parties about the scope of CSLB responsibility regarding this Labor Code provision. On April 16, 2015, CSLB presented a two-hour workshop to the International Brotherhood of Electrical Workers, the National Electrical Contractors Association, and the Western Electrical Contractors Association regarding CSLB enforcement of the certification requirement for C-10 employees. Local compliance officers learned how to collect relevant evidence and how CSLB will investigate electrician certification leads forwarded to Enforcement. As a result, staff anticipates an increase in referrals and legal actions.

Investigative Costs of \$57,761.54 Awarded in One of the Original “Fraudulent RMO” Cases

In December 2014, a Ventura County judge ordered notorious revoked licensee Avi Gozlan to reimburse CSLB for investigative costs related to a 2011 case that involved defrauding numerous Southern California consumers. In March 2015, CSLB received a check in the amount of \$57,761.54 from the Ventura County Controller for investigative costs, a rare victory for a state agency. In 2013, the grand jury in this case indicted 13 individuals for their roles in the elaborate scheme, which involved at least four licensees as “RMOs for hire.” This news is the latest in a string of victories related to this case: last summer, victims were awarded \$300,000 in restitution, and one homeowner even got his house back. CSLB continues to demonstrate its intolerance of fraudulent RMO scams.



Bonney Agrees to Pay Full Restitution to its Harmed Consumers

In early April 2015, CSLB agreed to a settlement with Bonney Plumbing that replaced the accusation with citations on all applicable licenses. The licensee had faced months of news reports about its questionable practices, including failure to pull permits and overcharging or soliciting unnecessary work. In exchange for avoiding revocation hearings, Bonney agreed to pay a \$12,000 fine for six citations for violations of contractor’s law. The company also agreed to pay restitution when appropriate and to make substantial changes to its business practices. In the first week of April, Bonney representatives reported publicly the company’s intent to take all necessary corrective action. With a five-year mandatory disclosure of these violations on CSLB’s website, the Enforcement division expects that Bonney will operate above-board in the future. Amid the publicity that surrounded this case, the Investigation Center reported a wave of inquiries from those in the HVAC industry to ensure their own compliance with laws so that the tarnishing of Bonney’s good-will “local family” reputation will not extend to them.

Family HVAC Business Blowing Nothing but Hot Air is Brought Down by Persistent CSLB Peace Officer

Sacramento HVAC contractor Tony Alley had amassed numerous complaints against his license prior to its revocation in 2014. When he continued operations as a “manager” under licensee “Alley and Co Heating/Air, Inc.” belonging to his wife Beatriz and son Gabriel, complaints again filed in. Alley’s business model included training his technicians in various deceptive tactics, such as performing illegal “visual-only” inspections and turning off homeowners’ gas to induce physical discomfort, all to compel the sale of new equipment. A Peace Officer in the new CSLB Special Investigation Unit soon noticed a pattern of consumers suddenly unwilling to proceed with complaints, delaying the investigation. In working with the Better Business Bureau to locate additional complainants, the officer suspected that Alley was “paying off” some complainants to deter their cooperation with CSLB. After a yearlong investigation, a series of sting operations, and coordination with multiple state agencies, the officer referred twelve cases for criminal charges against the company. Tony and Gabriel were arrested in May 2015 and are scheduled for arraignment in June. Counts include



obtaining money by false pretenses, substantial misrepresentation to obtain a contract, and attempted theft by false pretenses. Proceedings are underway to revoke the license held by Beatriz and Gabriel Alley.

Pacific Grove Licensee Pleads Guilty to Fraud, Contracting without a Valid License, Tax Evasion

A joint investigation by CSLB and Monterey County District Attorney fraud investigators dating back to 2012, culminated in a guilty plea on April 7, 2015, from Juan Rosas, expired licensee “Juan the Builder.” Rosas faces a maximum of six years and four months in prison and an estimated \$211,000 in restitution for not only working with an invalid license and employing workers without workers’ compensation, but also for fraudulently under-reporting his payroll to the State Compensation Insurance Fund to achieve lower workers’ compensation premiums.

Two years and a Trial Later, Unlicensed Contractor Convicted by Jury for Botched \$57,000 Home Renovation

In 2012, when a San Diego consumer needed to add an ADA-compliant bedroom and bathroom to her 750 square foot home for her wheelchair-bound elderly mother, she consulted unlicensed contractor Alfonso Lopez Matamoros. He convinced her that adding four new rooms to the home (two bedrooms and two bathrooms) would be cheaper. She surrendered to him her life savings of \$55,000. Working alongside his two sons, and without workers’ compensation coverage, Matamoros eventually left the job unfinished and with multiple issues that required correction. The CSLB San Diego Investigative Center worked with an industry expert to determine that to correct Matamoros’ work would require an additional \$25,600. In April 2015, Matamoros was convicted after a trial for unlicensed contracting and charging an excessive down payment. He will ultimately pay restitution, face fines, serve time in jail and in work programs, and spend three years on probation.

Search Warrant and Financial Audit Leads to License Revocation and Jail Time for Licensee

In 2012, El Dorado County licensee "Unlimited Door," contracted with a Yolo County homeowner for \$3,748.97 to manufacture and install a new front door. Acting on a suspended and expired license, the contractor compelled the resident to pay \$1,700 down and purchase and mail to him \$285 worth of door hardware. After no work began and no money was returned, the homeowner asked CSLB to investigate. A CSLB peace officer served a search warrant on the licensee's financial records and determined that none of the homeowner's money was used for the door project. CSLB revoked the license in October 2014, and referred the matter to criminal court. In early May 2015, the contractor pled no contest to grand theft and will serve five days in jail and one year on probation, in addition to paying fines and fees, and fully refunding the homeowner's \$1,985.29.

**Peace Officer Investigation Results in 12-Year Prison Sentence**

An elder abuse investigation conducted by a CSLB Peace Officer resulted in a 12 year prison sentence for unlicensed contractor Patrick R. Murphy. Murphy entered a no contest plea to four counts of elder financial abuse and an enhancement for fraud resulting in a loss to consumers of more than \$500,000. Murphy added unnecessary work to home improvement contracts for senior citizens and charged substantially more than the work warranted. In two separate cases with CSLB, Murphy charged victims twice for the same work and borrowed money from customers that he never repaid.

Unlicensed Contractor Referred for Criminal Prosecution after Refunding \$3,000 of a \$60,580 Deposit on a Project Never Started

In May of 2014, Santa Clara County unlicensed contractor Ping Shan Liu contracted with a Cupertino resident to build a home addition for \$148,820. Liu required and received a \$60,580 "materials deposit" at signing, and agreed to begin work two weeks later. When the start date was delayed as the homeowner sought building department approval of the plans, Liu asked to terminate the contract, citing "rising material costs." Returning only \$3,000 of the deposit, Liu claimed the remainder of the \$60,580 went to "material restocking fees." A CSLB investigation found no evidence that any materials were ever purchased, delivered, or restocked. At the end of April 2015, the San Francisco Investigation Center referred the case to the Santa Clara District Attorney's Office for allegations of advertising without a license, fraudulent use of a contractor's license number, contracting without a license, excessive down payment, diversion of construction funds, and grand theft.

Bay Area New Home Debacle: Friends, Licensees, Non-licensees, and Conspiracy

The only thing worse than having an unlicensed contractor bungle the construction of your half-a-million dollar new home is when a good friend orchestrated the deal. CSLB San Francisco Investigation Center's case involved a \$560,000 contract for a new home, negotiated in March 2012, by the homeowner's longtime friend, Il Hyun Jun of "Jun's Associates." It remains unclear if the homeowner knew Jun's roofing license had been revoked, though the paperwork listed license numbers for Chan Park of "Cross Dial Technologies." After attaching their names to the project, Jun and Park placed unlicensed "associate" Chong Han in charge. Han charged the homeowner to pull permits under Park's license so that he could put other non-licensees on the job, including the excavator who broke ground without a grading permit, only to slough the hillside causing slide hazards and damage to a neighbor's property.

In response to a neighbor's complaint, the city issued a stop work order, and by July 2012, the city subjected the project to stringent drainage and safety oversight. Han then abandoned the job, after receiving \$54,000 for minimal services or materials of little value. The homeowner took out an additional \$218,801 in loans for geotechnical services, planners, engineers, surveyors, and construction to comply with city demands. The three year investigation culminated in May 2015, with criminal referrals to the Alameda County District Attorney's office. Han faces charges of conspiracy, contracting



without a license, fraudulent use of a license, filing a false document, diversion of construction funds, grand theft, and theft by false pretenses. Park faces conspiracy charges and accusations against his licenses for aiding and abetting an unlicensed contractor.

Perjury Added to List of Criminal and Administrative Violations Faced by Unlicensed Contractor

Unlicensed contractor Patrick Otsuki was on the site of a building renovation when the owners of a San Francisco duplex next door asked him about remodeling their two-unit rental property. Otsuki claimed he was licensed when asked, and showed the owners a license number on his invoices and advertising. Never submitting a proposal or project scope, Otsuki simply began work and provided a series of misleading and confusing invoices that required payment up front. By the time the duplex owners learned that Otsuki was not licensed, they had paid him \$110,000 over 18 months for work never done and permits never pulled. Not only did Otsuki represent himself as licensed to the property owners and building department, he testified before a San Francisco city board regarding an unrelated project that he is a licensed builder and landscaper. CSLB's investigation will result in criminal referrals of advertising and contracting without a license, fraudulent use of a license, failure to obtain workers' compensation, receiving funds in excess of value of work, diversion of construction funds, grand theft, and perjury.

STATEWIDE INVESTIGATIVE FRAUD TEAM (SWIFT) HIGHLIGHTS

This Year's "Operation Underground" a Success, Netting Nearly \$300,000 in Fines

Once a year, CSLB has the opportunity to help tackle the insurance premium fraud violations that are not normally subject to its enforcement efforts, as part of the larger mission of combatting the underground economy. The California Department of Insurance (CDI) leads the statewide multi-agency effort every year, and CSLB SWIFT Enforcement Representatives (ERs) are paired-up with CDI agents to visit construction industry targets that may be violating payroll, insurance or tax reporting laws. The May 20, 2015, operation resulted in more than 15 citations, multiple stop work orders, and nearly \$300,000 in fines. CSLB and the Labor Commissioner's office issued 19 stop orders to contractors on active jobsites without workers' compensation, and the California Division of Occupational Safety & Health stopped six projects with serious working hazards. In addition, the Employment Development Department will conduct 31 audits as a result of the operation. The annual operation spans CDI's nine geographical zones across the state, and CSLB SWIFT ERs partnered with agents in San Diego, the Inland Empire, South Los Angeles, North Los Angeles, Valencia, Ventura, Orange, Fresno, Silicon Valley, Benicia, and Sacramento.



Northern Statewide Investigative Fraud Team (SWIFT) Well Underway with Commendable Building Department Outreach Plan

Northern SWIFT announced recently its intent to make personal contact and build working relationships with every single building department within its jurisdiction in order to share information about suspicious activity, alert CSLB about suspicious owner/builder permits, educate, improve contractor compliance, and generally increase CSLB's presence within each of these offices . This mirrors the overall goal of the Enforcement division to establish better working relationships with building departments in general. Such an effort constitutes a substantial undertaking, as Northern SWIFT monitors half of California, and there are 36 building departments within the greater Sacramento area alone. The visits have resulted in conferences with dozens of officials and the distribution of hundreds of pages of CSLB information both for the building offices' use and public display. Referrals from building departments to SWIFT are already increasing as a result of these efforts. Only a month into the venture, Northern SWIFT has visited offices in Elk Grove, Rancho Cordova, the city of Sacramento, Sacramento County, West Sacramento, Placer County, Auburn, Lincoln, Roseville, Citrus Heights, Alameda, South Lake Tahoe, El Dorado, Solano, Folsom, Winters, Woodland, Vallejo, Suisun City, Fairfield, Vacaville, and Yolo.

Border Blitz: Investigators Nab 17 Unlicensed Contractors on Either Side of Lake Tahoe

On April 18, 2015, CSLB joined forces with the Nevada State Contractors Board for its one-day "Border Blitz." Twelve violators were cited at a Stateline, Nevada condominium with the aid of a CSLB Statewide Investigative Fraud Team Enforcement Representative. Six more were issued notices to appear in South Lake Tahoe near the Pioneer Trail. In Nevada, all electrical, and drain, waste, and vent work must be licensed and all other projects totaling \$1,000 or more require a license, as compared to California's \$500 maximum in labor and materials before a license is required. A Nevada resident came to the California sting and, despite telling investigators he could only perform work under \$1,000, provided a \$2,500 bid to paint the home. The two contractors' boards share a common mission and similar laws against unlicensed contracting: neither will tolerate contractors taking advantage of the public, and contracts between homeowners and unlicensed contractors are not considered valid.

Frequent Violator will not be Offending Again for Some Time

Rafael Tinoco received an administrative citation in 1999 for unlicensed contracting, and last year the Central CSLB Statewide Investigative Fraud Team (SWIFT) referred two additional cases against Tinoco for unlicensed activity to the Santa Barbara District Attorney's office. On April 14, 2015, these cases led Tinoco to receive 180 days in jail on four counts of unlicensed contracting and failing to provide workers' compensation. Probation terms require that Tinoco obey all laws, maintain workers' compensation insurance, report his activities, stay away from addresses of previous activity, pay thousands of dollars in fines and full restitution to victims, pay workers lost wages and



register as an employer with the Employment Development Department, report back taxes, and put disclaimers on all advertising.

With these cases pending, on April 7, 2015, Central SWIFT responded to a confidential lead alleging that Tinoco was contracting illegally in Santa Barbara. The investigator learned that Tinoco had approached an elderly homeowner as she walked her dog and offered to paint her house. On two subsequent visits to her home, Tinoco also suggested he fix her fence, repair stucco, install a garage door, and concrete the driveway, providing an oral bid of \$7,200, with additional costs to be assessed later. On April 29, 2015, the investigator referred this new case to the Santa Barbara District Attorney's office. The DA's office reported that Tinoco will be charged for unlicensed contracting with a "subsequent conviction" enhancement, and for violating probation. Jail time is almost certain and will hopefully put a stop to future illegal activity.

Better Business Bureau Lead Nabs Unscrupulous Husband of Licensee, Lands Couple in Hot Water

The Better Business Bureau (BBB) recently alerted the Northern Statewide Investigative Fraud Team (SWIFT) to the activities of Emmett Hopper, whose wife is the sole owner of "Hopper's Tree Care," that has certified they have no employees. BBB was concerned after Hopper explained that the business is actually his, but set up in his wife's name to take advantage of "women's small business owner" benefits. A SWIFT investigator met the couple at CSLB headquarters and explained the criminal and administrative violations they risk by marketing the business as Emmett's, and that if caught again he would face a felony violation of illegal use of a license number. Though the couple seemed to understand the severity of their behavior, investigators were unconvinced and, posing as homeowners, invited Mr. Hopper to an El Dorado County sting on May 1, 2015, to bid on a tree removal. Hopper indeed arrived and placed a bid under his wife's contractor's license number. He was cited for illegal use of a license number and unlicensed contracting and advertising. An accusation against the license of "Hopper's Tree Care" is forthcoming.

Unlicensed Contractors in Ventura County Solicit the Wrong Consumer

A Ventura County Sheriff's division captain received one too many phone calls from unlicensed contractors offering services. With hot leads in hand, the captain contacted Southern SWIFT and the two agencies orchestrated a two-day operation in Moorpark on April 10, 2015. Some of the original callers did appear and, armed with other leads from the local building department and the Board of Equalization, the operation resulted in the issuance of 14 Notices to Appear. The suspects will appear in criminal court on June 17 and 18, 2015



Alameda Sting a Warning to Homeowners, Contractors for Requiring Excessive Down Payments

On April 15, 2015, the Statewide Investigative Fraud Team (SWIFT) partnered with the Alameda County District Attorney's office for a tax day sting. Citations were issued for unlicensed contracting, illegal advertising, workers' compensation violations, and fraudulent use of an incorrect license number. Seven unlicensed contractors now face a criminal court date in July for providing to investigators bids on landscaping, tile, and painting jobs ranging from \$2,500 to \$5,500. One suspect, after asking the investigator for "one third" the contract bid up front, was cited for requesting an excessive down payment. Contractor's law stipulates that a down payment must not exceed \$1,000, or 10 percent of the contract price, whatever is less.

Repeat Offender, with Thousands of Dollars in CSLB Fines Outstanding, Finally Arraigned in Criminal Court

Northern Statewide Investigative Fraud Team (SWIFT) has another successful criminal filing with Solano County Deputy District Attorney Janice Williams, as efforts increase to cultivate partnerships with local agencies in the area. Repeat offender Angel Cortez was arraigned in Solano County on April 6, 2015, for unlicensed contracting, failure to secure workers' compensation, illegal advertising, and failure to comply with a prior citation. No stranger to CSLB, Cortez has more than \$3,625 in outstanding administrative fines; hence, the need for a criminal referral when he was discovered during a Labor Enforcement Task Force sweep last year with seven employees installing sprinklers and pouring fifteen yards of concrete for a landscaping project.

Subsequent Investigation of a Contractor Caught in 2013 CSLB Sting Uncovers Husband and Wife Illegal Roofing Business

Central SWIFT first encountered unlicensed contractor Ronald Woodruff on October 10, 2013, at a Monterey County sting after he provided a SWIFT investigator a bid to replace a fence. Woodruff claimed to be an employee of his wife, licensed contractor Yolanda Martinez of "M&W Roofing." A routine background check on site confirmed that Woodruff has a serious felony record. Woodruff's advertising materials led to a review of M&W Roofing's application for licensure, which determined that M&W stands for Martinez & Woodruff. Upon learning that the license application included falsified information, CSLB referred the matter to Monterey County DA investigators. The joint investigation revealed that Martinez may have obtained the license fraudulently so that Woodruff could control its affairs under the radar. The Monterey County District Attorney's office intends to file felony warrants for the pair.



PUBLIC WORKS

CSLB Public Works Seminar Impresses Labor Commissioner

In April 2015, the Enforcement division's Quality Assurance unit presented a seminar for awarding agencies on law and policy issues related to the new requirement that contractors be pre-registered before they can bid on public works projects and to explain public work contracting requirements. After the event, State Labor Commissioner Julie A. Su stated: "I want to thank the Contractor's State License Board for hosting our joint public works seminar. This is just the latest example of the valued collaboration between my office and the CSLB. Educating contractors to make it as easy as possible to play by the rules is a high priority. At the same time, I am grateful to have the CSLB as a partner in cracking down on unscrupulous contractors who steal wages from workers and public works jobs from honest contractors. I want to thank Susan Nakagama, my statewide public works manager, and Rebecca Lyke from CSLB for coordinating this event. The valuable partnership with DIR [Department of Industrial Relations] will go far in insuring industry professionals are up to expected standards on these projects using public money."

GENERAL COMPLAINT-HANDLING STATISTICS (FY 2014-15)

It has been determined that a manageable level of pending complaints for all current CSLB Enforcement staff is 3,200. As of May 2015, the pending case load was 3,267.

To ensure timely mediation and screening of complaints, the optimal case load for Consumer Service Representatives (CSR) is 1,450. As of May 2015, 1,486 complaints were assigned to CSRs.

To ensure timely handling of complaints that warrant formal investigation, the optimal working case load for Enforcement Representatives (ER) assigned to the Board's nine investigative centers (IC) is 35 cases per ER. CSLB has 50 IC ERs; therefore, the nine ICs have an optimal capacity for 1,750 open complaints; as of May 2015, 1,781 were assigned to ERs.



The following chart outlines how CSLB determines manageable caseloads:

Job Classification	Current Number of Staff	Closure Goal per Month	Preferred Cycle Time (months)	Maximum Case load per ER/CSR	Maximum Number of Cases per Classification
ERs	50	10	4	35	1,750
CSRs	29	20	2	50	1,450
TOTAL					3,200

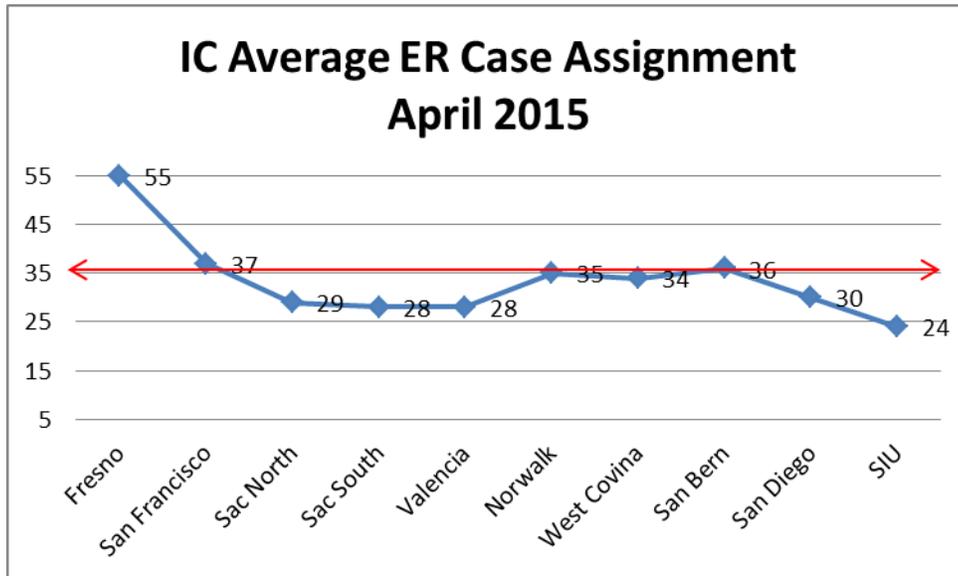
Recognizing that a licensed contractor may have made a mistake or that a good faith dispute exists regarding the contracting activity, the Board provides training to CSRs and ERs to assist them in resolving construction-related disputes. For the first ten months of fiscal year 2014-15 (July through April 2015), Enforcement staff's settlement efforts have resulted in more than \$12 million in restitution to financially injured parties.

Investigation of Consumer Complaints

To ensure effective investigation of consumer complaints, the Enforcement division monitors Enforcement Representative (ER) production, pending case loads, and investigation-closing disposition. To date, for fiscal year 2014-15 (July through April), Investigative Center (IC) ERs have consistently achieved the Board's goal of 10 complaint closures per month, and effective case distribution among the nine investigative centers and the special investigations unit has resulted in a manageable, ongoing case load of approximately 30 cases per ER. Of the 1,658 legal actions during this time, 30 percent were referred to local prosecutors.

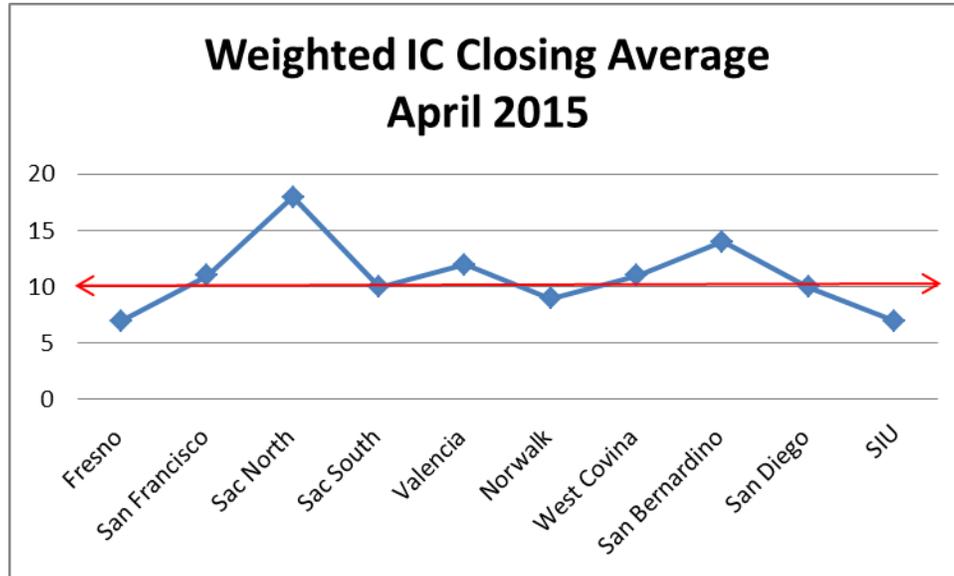


The following chart tracks open IC investigations. The goal is for each IC ER to carry between 30 and 40 pending cases. At the end of April 2015, the statewide average was 31 cases.

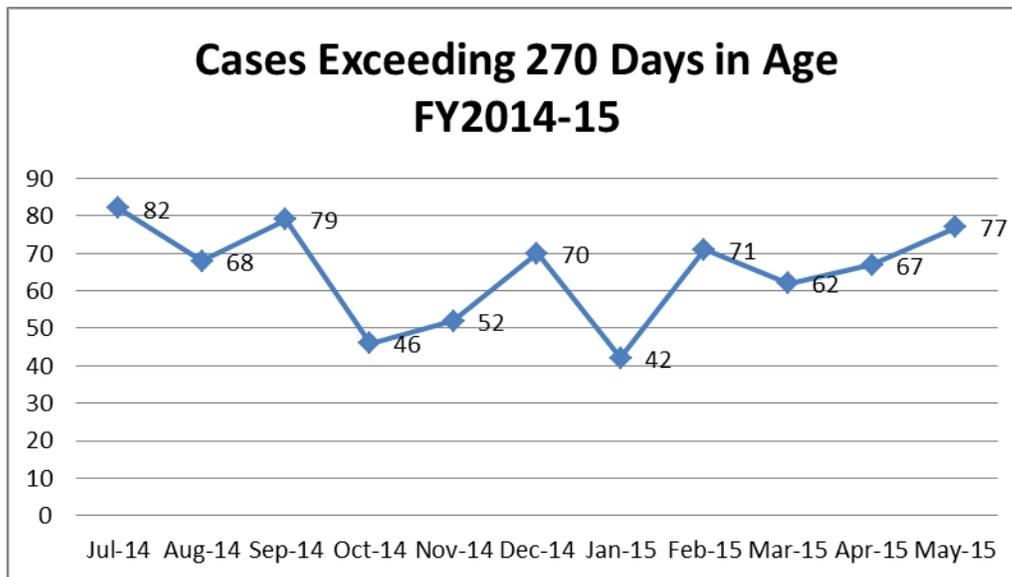




The following chart tracks the Board's target of each IC ER maintaining a weighted monthly closing average of 10.



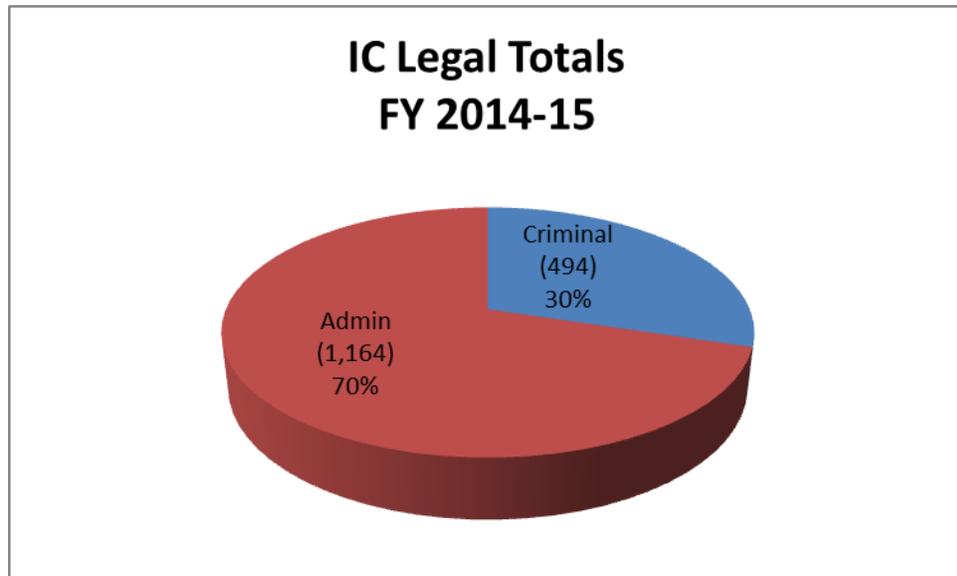
Historically, Enforcement has more than 3,000 consumer complaints under investigation at any given time. The Board's goal is to appropriately disposition all but 100 within 270 days of receipt. Staff's effective management of pending complaints has resulted in consistently meeting this goal. At the beginning of May 2015, there were only 77 cases exceeding 270 days in age.





The following chart depicts the number of completed investigations that resulted in an administrative or criminal legal action.

For the first ten months of fiscal year 2014-15, Enforcement has referred an impressive **30 percent**, or 494 investigations, to District Attorneys for criminal prosecution.



Proactive Enforcement at Active Construction Sites

CSLB has established a Statewide Investigative Fraud Team (SWIFT) comprised of approximately 30 non-sworn Enforcement Representatives (ERs). SWIFT primarily enforces license and workers’ compensation insurance requirements at active job sites and performs undercover sting operations, targeting unlicensed persons who have active warrants or who solicit construction contracts.

SWIFT Statistics – Fiscal Year 2014-15 (July 1, 2014 – April 30, 2015)

To date, for FY 2014-15, SWIFT conducted 64 stings and 196 sweep days, resulting in 1,365 legal actions (criminal and administrative actions). SWIFT achieved the following legal action results:

- 134 licensed and unlicensed individuals referred to district attorneys for criminal prosecution of workers compensation violations; and
- 701 licensed and unlicensed individuals issued administrative citations for licensure, advertising, aiding and abetting, and workers compensation violations.

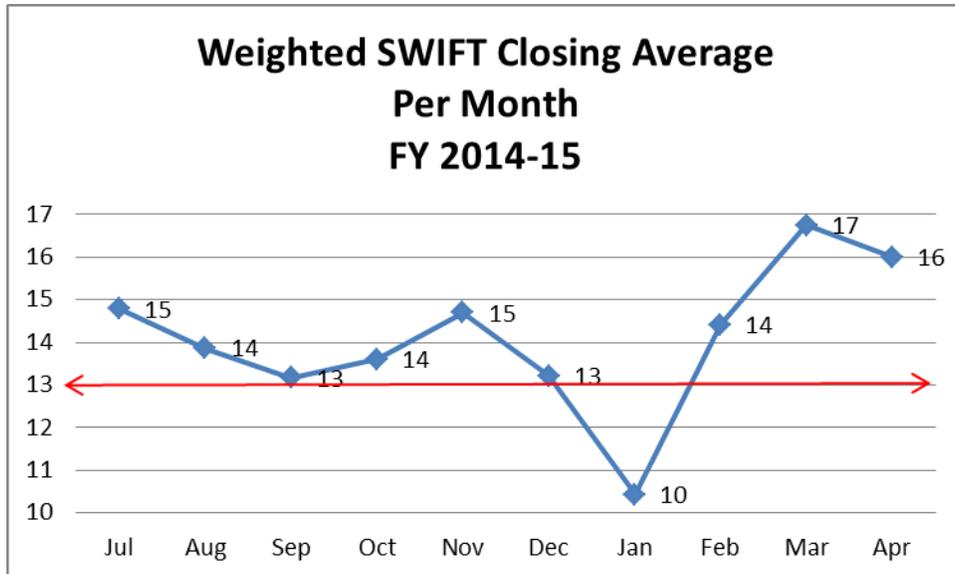


As a result of these extensive efforts, SWIFT also combatted unlicensed activity by issuing:

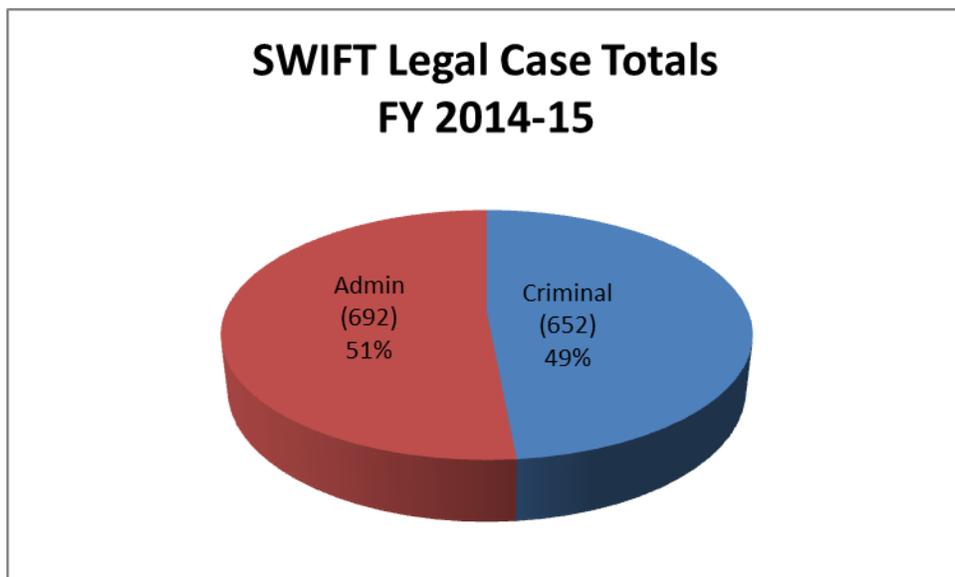
- 585 Notices to Appear (NTAs) to suspects for contracting without a license, illegal advertising, and workers' compensation insurance violation; and
- 460 Stop Orders served on construction employers, prohibiting use of employee labor until workers' compensation insurance is obtained.



The following chart depicts the weighted monthly SWIFT closing average:



The following chart depicts the number of proactive SWIFT investigations that resulted in an administrative or criminal legal action. For the first ten months of the fiscal year 2014-15, SWIFT has referred an impressive 49 percent, or 652 investigations, to district attorneys for criminal prosecution:



**CASE MANAGEMENT FY 2014-15 (JULY – APRIL)**

CITATIONS ISSUED		
	Licensee	Non-Licensee
Citations Issued	1089	706
Citations Appealed	462	286
Citation Compliance	814	310
MANDATORY SETTLEMENT CONFERENCES		
Scheduled	294	
Settled	159	
Civil Penalties Collected	\$1,233,95	
Legal Fee Savings	\$749,872	

ARBITRATION	
Arbitration Cases Initiated	277
Arbitration Decisions Received	243
Licenses Revoked for Non-Compliance	27
Arbitration Savings to the Public – Restitution	\$1,217,840
ACCUSATIONS/STATEMENT OF ISSUES	
Revocations by Accusation (Applicants Revoked)	355
Accusation Restitution Paid to Injured Persons	\$248,970
Statement of Issues (Applicants Denied)	64
Cost Recovery Received	\$195,913
Number of Cases Opened	300
Number of Accusations/Statement of Issues Filed	233
Number of Proposed Decisions Received	78
Number of Stipulations Received	85
Number of Defaults Received	138
Number of Decisions Mailed	347



2014-2015 Fiscal Year: Numbers are in for CSLB Investigation Centers

In May 2015, the numbers rolled in for CSLB Investigation Center (IC) employee production to date for FY 2014-15, and the Enforcement division could not be happier with the results. CSLB ICs closed 5,146 complaints over 10 months, averaging 515 case closures a month for each of the 10 offices (which includes the new Special Investigation Unit established in December 2014). Nearly 500 of these closures, or approximately 30 percent, resulted in criminal referrals for prosecution. Generally, investigators should maintain an average of 10 case closures per month, and eight of the offices met or exceeded this goal over the last 10 months. Of particular note is the outstanding production of the Northern and Southern Sacramento ICs. The Southern unit consistently reported closures above average (8 of the last 10 months) and the Northern unit averaged 18 closures per investigator in April 2015, well above the goal.

2015-16 Strategic Plan Update

On April 27, 2015, the Enforcement Committee approved strategic plan objectives 1-4 and requested the addition of two other objectives. Staff will review and discuss these recommendations with the full board.

ENFORCEMENT OBJECTIVES	TARGET	DESCRIPTION	YES/NO
1. Public Works (I)	August 2015	Review and revise memorandum of understanding with the Labor Commissioner’s Office.	
2. Establishment of Government Accounts to Obtain Court Records (I)	October 2015	County criminal records are online, but require establishment of a fee-based account to access them.	
3. Refine Proactive Strategies and Objectives (I)	December 2015	Develop a matrix to prioritize proactive response to leads, sweeps, and stings.	
4. Revision of Enforcement Manual (E)	December 2015	Establish task force to update and improve the existing complaint handling manual.	



5. Update Regulation for Assessment of Civil Penalties (I)	December 2015	Revisit penalty guidelines to determine if they have kept up with inflation and consumer protection requirements.	
6. Solar Energy Schemes (E)	June 2016	Develop outreach, education, enforcement strategies to address deceptive solar tactics.	

AGENDA ITEM E-3

Discussion and Possible Action Regarding Proposed Changes to Minimum Peace Officer Training Standards





ENFORCEMENT COMMITTEE RECOMMENDATION

The Enforcement Committee met on April 27, 2015, at CSLB headquarters and voted unanimously to have the full Board review and discuss revising the peace officer training requirements.

BACKGROUND:

Historically, the Contractor State License Board's (CSLB) Enforcement division included three peace officer positions. These positions were always filled with internal CSLB candidates, who remained in their positions until retirement. In 2011, CSLB obtained legislative approval for nine additional peace officer positions, for a total of 12 officers.

Many of our current officers were hired during the recent recession, when other law enforcement agencies were either not hiring or were laying off staff. But now that other law enforcement agencies have begun to hire again, CSLB finds itself at a competitive disadvantage. In the last 18 months, six peace officers have resigned their positions.

The current salary range for CSLB peace officers is \$4,748 to \$6,140 per month. Other agencies pay their peace officers much more. Correctional Officers with the California Department of Corrections (CDCR, the former employer of three CSLB peace officers) can achieve a maximum salary of \$6,389 per month, and CDCR parole officers (the former job of another three CSLB officers) have a top monthly salary of \$7,437. In March 2015, the Commission on Peace Officer Standards and Training (POST) website listed open examinations for peace officer positions at 146 different agencies throughout California, many of which pay higher salaries than CSLB. Of the six CSLB peace officers and candidates who have resigned, five have left for higher paying peace officer positions and one retired.

Compounding the problem of salary differential is CSLB's current requirement, approved by the Board at its December 2012 meeting, that CSLB peace officers attend a full peace officer training academy, or the POST-certified 17-week Specialized Investigator Basic Course (SIBC), or an equivalent. The SIBC is offered exclusively by Golden West College in Huntington Beach, and includes 38 separate training modules intended for new investigators at traditional law enforcement agencies (see list that follows).

While some of the SIBC training is relevant for CSLB peace officers, much of it is not. For example, the SIBC includes extensive training in firearms (3,250 rounds of ammunition are fired), emergency driving operations, and specific Penal Code violations that are not applicable to CSLB. The minimum training standard for California peace officers is specified in POST Commission Regulation 1005, and is the 64-hour Penal Code 832 Arrest and Firearms Course. (Peace officers that do not carry firearms, including those at CSLB, are exempt from the firearms portion of the training.)



After much deliberation, the Enforcement division believes that the SIBC – or other full law enforcement academy training – is not necessary for CSLB peace officers. Moreover, the required 17-weeks of regimented training (offered only in Huntington Beach) discourages promising internal candidates at CSLB from applying for vacant peace officer positions.

PROPOSED RECOMMENDATION:

The Enforcement Committee is asking the Board to approve revised training requirements for CSLB peace officers. Specifically, the Board is being asked to approve the following minimum training standards for CSLB peace officers:

- After successful completion of a background investigation, candidates may be appointed as CSLB peace officers upon successful completion of POST-approved PC 832 training.
- Within the first year after appointment (i.e., during the probationary period), CSLB peace officers may be required to attend additional CSLB job-related POST-certified training at the Board's discretion.
- Failure to complete the specified training requirements will result in removal from the peace officer position.



Specialized Investigators' Basic Course Training Content by "Learning Domain"

- LD 02 Criminal Justice System
- LD 03 Policing in the Community
- LD 04 Victimology/Crisis Intervention
- LD 05 Introduction to Criminal Law
- LD 06 Property Crimes
- LD 07 Crimes Against Persons
- LD 08 General Criminal Statutes
- LD 09 Crimes Against Children
- LD 10 Sex Crimes
- LD 11 Juvenile Law and Procedure
- LD 12 Controlled Substances
- LD 15 Laws of Arrest
- LD 16 Search and Seizure
- LD 17 Presentation of Evidence
- LD 18 Investigative Report Writing
- LD 19 Vehicle Operations
- LD 20 Use of Force
- LD 23 Crimes in Progress
- LD 25 Domestic Violence
- LD 26 Unusual Occurrences
- LD 30 Preliminary Investigation
- LD 32 Lifetime Fitness
- LD 33 Arrest and Control
- LD 34 First Aid/CPR
- LD 35 Firearms/Chemical Agents
- LD 36 Information Systems
- LD 37 People with Disabilities
- LD 38 Gang Awareness
- LD 39 Crimes Against the Justice System
- LD 40 Weapons Violations
- LD 41 Hazardous Materials Awareness
- LD 42 Cultural Diversity/Discrimination
- LD 43 Emergency Management
- LD 60 Surveillance
- LD 61 Administrative Procedures
- LD 62 Case Management and Sources of Information
- LD 63 Computers and Computer Crimes

AGENDA ITEM F

Public Affairs



AGENDA ITEM F-1

Review and Possible Approval of April 27, 2015 Public Affairs Committee Meeting Summary Report





Public Affairs Committee Meeting Summary Report April 27, 2015 Sacramento

A. Call to Order, Roll Call, and Establishment of Quorum.

Pastor Herrera, Committee Chair, called the Contractors State License Board (CSLB) Public Affairs Committee meeting to order at 12:22 p.m. on Monday, April 27, 2015, in the John C. Hall Hearing Room at CSLB headquarters, 9821 Business Park Drive, Sacramento, CA, 95827. A quorum was established.

Committee Members Present

Pastor Herrera, Jr., Chair
Joan Hancock
Bob Lamb
Ed Lang
Nancy Springer

CSLB Staff Present

Cindi Christenson, Registrar	Jane Kreidler, Public Affairs Staff
Cindy Kanemoto, Chief Deputy Registrar	Melanie Bedwell, Public Affairs Staff
Rick Lopes, Chief of Public Affairs	Steve Breen, Public Affairs Staff
David Fogt, Chief of Enforcement	Ashley Cadwell, Public Affairs Staff
Karen Robinson, Chief of Licensing	Chris Cardoso, Public Affairs Staff
Christina Delp, Deputy Chief of Enforcement	Raju Sah, IT Staff

After welcoming the audience, Mr. Herrera introduced Ashley Caldwell, the newest Public Affairs Office (PAO) staff member.

B. Public Comment.

There was no public comment.

C. Public Affairs Program Update.

Chief of Public Affairs Rick Lopes reiterated that PAO is fully staffed since Ashley Caldwell filled the vacant Information Officer I position.

On September 5, 2014, CSLB successfully launched its new website. Mr. Lopes noted that CSLB is receiving worldwide online visitors and highlighted that users from Belarus and Colorado have visited the CSLB website in increasing numbers. Additionally, he reported that CSLB is able to determine the type of browsers used by computer visitors to the website, which assists with its design and upkeep. Mobile device statistics in the report are delineated by telephones, iPads, and tablets. The overall growth of social media has been consistent, and the Email Alert feature continues to gain subscriptions.



PAO hosted a media event on March 13, 2015, to announce the results of CSLB's Spring California Blitz sting operation. The event was held in Madera and included participation from Madera County District Attorney David Linn and City of Madera Police Chief Steve Frazier. In addition, on April 1, 2015, Chief of PAO Rick Lopes participated in a media event held by Kern County District Attorney Lisa Green, which centered on unlicensed contracting and a recent conviction of an unlicensed contractor that led to a one-year county jail term.

CSLB publications (print and online) in production:

- Description of Classifications booklet
- New outreach pull-up banners
- New contractor/applicant guide (booklet)
- New consumer guide (booklet)
- Wall posters for Fresno & Norwalk offices
- Mechanics lien brochure (Spanish)
- Original License Application form

CSLB publications in development:

- New Senior Scam Stopper flyer template
- New CSLB *Fast Facts* template
- New Industry Expert Program Inspection/Hearing Invoice form
- New Mandatory Settlement Conference Tips card

Since the last Board meeting, PAO conducted its 400th Senior Scam StopperSM seminar. Mr. Herrera asked Jane Kreidler, Outreach Coordinator, to comment about the Senior Scam StopperSM (SSS) program. Ms. Kreidler reported that more seminars are being conducted with new legislators and noted that, as of this date, 59 seminars have been scheduled in 2015. The newest partner is the National Center on Elder Abuse.

Ms. Hancock asked about the Consumer Scam StopperSM (CSS) program. The CSS program was ramped-up in late 2013, and focused on libraries as venues. Libraries were receptive to the program, but attendance was low. Ms. Hancock asked how outreach is conducted to civic organizations. Currently, PAO has reached out to community centers and libraries, and is revisiting the outreach. This year, three CSS were conducted and eight seminars scheduled. Some of the interest has been from SSS attendees who want a 30-60 minute seminar. Mr. Lopes noted that PAO has six staff members and Ms. Kreidler is the only one dedicated to conducting outreach, so there needs to be a balance.



Ms. Hancock asked if PAO partners with other boards and bureaus and federal representatives. Ms. Kreidler stated that partnerships exist with all of the above-mentioned entities. Frequent Department of Consumer Affairs' panelists for PAO seminars come from the Bureau of Automotive Repair and Bureau of Real Estate. Newer partners are the Professional Fiduciaries Bureau and the Medical Board of California. Several boards that would like to participate are unable to because of staffing issues.

Mr. Lang asked if there is interest in SSS seminars in Northern California. Ms. Kreidler stated that from Sacramento to the Oregon border, there is not much legislative interest. Mr. Herrera mentioned that having a captive audience is helpful; otherwise, it is difficult to get people to come out. The younger generation visits the website.

Mr. Lopes finished his report by noting recent updates to CSLB's intranet site, which is used to provide information and support for CSLB's statewide employees.

D. Review, Discussion, and Possible Action Regarding 2015-16 Public Affairs Strategic Plan Objectives.

Mr. Herrera mentioned that in developing a strategic plan, he delineates between strategic and operational objectives: Strategic objectives are performance measures to move the organization to the next level; operational objectives are items that make the organization more efficient. He suggested that the Committee might want to differentiate the objectives into operational and strategic categories. He also commented that the 10 items currently listed seem overwhelming.

Mr. Lopes stated that CSLB's Board-approved 2015-17 Communications Plan is an overview of what PAO does and what it wants to accomplish. He also noted that the first six items proposed as possible action items were brought up at the March 2015 Board meeting. He added that items seven through 10 were brought to him by Board members or others.

Mr. Lopes requested feedback from the Committee regarding the following ten items:

- Item 1- Complete Flagship Consumer Publication
Mr. Lopes noted that the process to update this publication has taken a couple of years, but should be to the printer within the next month.
- Item 2 – Complete Flagship Contractor Publication
This is a new publication that combines all contractor publications into a single entity. Mr. Lopes reported that this also is near completion, with a July target date for submission to the printer.
- Item 3 – Develop Realtor Outreach Program
This is a new proposal. Consumers rely on their real estate agent for referrals and PAO would like to reach out to realtors, through its relation with the Bureau of Real Estate and realtor associations, so they do not recommend unlicensed operators.
- Item 4 – Develop CSLB Style Guide and Standards Manual
This item is part of the 2014-15 Strategic Plan, but gave way to other, higher priorities. Mr. Lopes noted that this would be an in-house publication used for communications consistency.



- Item 5 – Determine Feasibility of Building a Full-Service Broadcast Studio
Over the past two years, PAO has purchased broadcast equipment for use in video production and live web streaming, which has aided PAO’s efforts to expand its media outreach. PAO would like to look at the feasibility of building a dedicated studio to aid in the production of videos and live webcasts.
- Item 6 – Determine Feasibility of Updating John C. Hall Hearing Room, including Video Monitors and Improved Audio System
PAO would like to research the feasibility of placing broadcast equipment, including TV monitors, in the John C. Hall Hearing Room.
- Item 7 – Develop State of California Licensed Contractor Logo for Use by Licensees
CSLB’s current logo cannot be used by other groups or individuals. This proposal was brought forward a number of years ago, but was never finalized. A Board member asked that the idea again be considered.
- Item 8 – Devise Schedule for Development of an Opt-in, “Find a Contractor” Website Feature
Mr. Lopes reminded Committee members that PAO has wanted to develop this feature for upwards of ten years. He added that he felt this feature would be a “game changer” for consumers, since it would provide them with a starting point on their search for a licensed contractor. Currently, CSLB’s license look-up feature only allows consumers to get license information on a specific contractor. The new feature would allow licensees to “opt-in” to be included and consumers could search for a contractor by location and the type of work needed.
- Item 9 – Determine Feasibility of Developing a Mobile Web Application
In the past, it was determined that services could be better utilized by consumers by optimizing the CSLB website. PAO wants to ensure that CSLB stays current with technology.
- Item 10 – Develop Features for use on Contractors/Industry Members’ Websites
CSLB has Rich Site Summary (RSS) for the web which makes it possible to create content that industry groups or contractors can automatically place on their websites. The service is available, but PAO does not currently produce any specific content that can be promoted to contractors/industry members.

Mr. Herrera thanked Mr. Lopes for the summary and asked how the limited PAO staff could complete these many items. Mr. Lopes noted that last year there were nine objectives: three were completed; three were delayed, and three are pending. Committee members were asked for comments.

Ms. Hancock expressed her support for Item 8, and asked if PAO had additional ideas. Mr. Lopes stated that PAO believes that Item 8 is central to efforts in this year and is one they have felt strongly about for a number of years.

He explained that the project was previously delayed when PAO learned about potential concerns among contractors who focus on public works projects, or other areas where “consumers” are not their primary customer. Staff of these contractors would face the possibility of receiving a high number of phone calls from consumers.



Mr. Lopes also noted another shortcoming of not making the feature opt-in. Because a contractor's address of record is one physical location, CSLB has no way of knowing where a contractor actually works. For example, a contractor based in Sacramento would only appear in Sacramento-area searches, even if they do jobs around the state.

Ms. Hancock asked if there would be a way to define areas of expertise, e.g., contractors who build custom vs. tract homes. Mr. Lopes responded that it would be best to limit information to the license and business location, so it would not appear that CSLB endorsed one contractor over another.

Ms. Hancock asked if the logo and the other website improvements could be tied together. Mr. Lamb commented that the Board has talked about this since 2006, when he first joined the Board and praised PAO/Information Technology and the Board for a very good tool. Ms. Springer expressed her support for the idea of helping a consumer identify a contractor but also expressed her concern about the appearance that CSLB is providing referrals.

DCA Legal Counsel Kristy Schieldge also commented on the items. With regard to searching for available licensed contractors, the feature would need to be linked to a contractor's status. She noted that the law does not recognize the phrase "good standing," and that if there is a restriction on the license that information should be included. Mr. Lopes agreed, and stated that such information will be included.

In regard to the CSLB logo, Ms. Schieldge also explained that it is illegal under California law for anyone to use the logo or seal to advertise, and will check to see whether or not the Board can develop a logo for the purposes outlined in Item 7 without exposing CSLB to liability from consumers.

Mr. Herrera suggested reducing the number of objectives to four or six. Mr. Lopes responded that because a number of the items were to "determine feasibility" rather than "develop," not all of the items will be completed.

Ms. Hancock questioned the need to update the John C. Hall Hearing Room, and would like to see the cost. Mr. Lopes responded that item only committed CSLB to determining the feasibility of such a change and that since the cost of such equipment has dropped permanent cameras and equipment would save staff the time involved in regularly setting-up and tearing down the equipment.

Ms. Springer agreed with Mr. Lamb that the goals should be left on the work plan and reevaluated later. Mr. Lang stated that he liked the number of items and suggested giving the last four items target dates. Mr. Herrera asked if staff job evaluations are based, in part, on completion of strategic plan action items. Registrar Cindi Christenson responded no, as long as they are working diligently on projects. Also, vacancies are taken into account. Three of the uncompleted items for 2014-15 were due directly to job vacancies during the year.



Motion to Approve the 2015-16 Public Affairs Strategic Plan Objectives and Revise as Necessary

MOTION: A motion was made by Committee Member Ed Lang and seconded by Committee Member Bob Lamb to approve the 2015-16 Public Affairs Strategic Plan Objectives and Revise as Necessary. The motion carried unanimously, 5-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Pastor Herrera Jr.	X				
Joan Hancock	X				
Robert Lamb	X				
Ed Lang	X				
Nancy Springer	X				

E. Adjournment

Committee Chair Pastor Herrera Jr. adjourned the meeting of the Public Affairs Committee at 1:16 p.m.

AGENDA ITEM F-2

Public Affairs Program Update





CONTRACTORS STATE LICENSE BOARD

PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations, and outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, featuring Senior Scam StopperSM and Consumer Scam StopperSM seminars, and speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; and website and intranet content.

STAFFING UPDATE

PAO is fully staffed with six full-time positions and two part-time Student Assistants.

ONLINE HIGHLIGHTS

CSLB Website

On September 5, 2014, CSLB successfully launched its new website. PAO and Information Technology (IT) staff continue to make minor revisions and updates on a regular basis.

Website Statistics - February 17, 2015 to May 27, 2015

Statistic	Title	Description
2,586,331	Number of Sessions	Number of sessions when a user is actively engaged on the CSLB website
1,200,262	Number of Users	Number of new and returning users to the CSLB website
15,949,491	Number of Page Views	Total number of pages viewed
6.17	Average Pages per Session	Average number of pages viewed during a session (includes repeated views to same page)
4:43	Average Session Duration	Average length of a session
17.86%	Bounce Rate	Percentage of visits to CSLB website where visitor viewed only one page
40.81%	Percentage of New Sessions	Estimate of the percentage of first-time visits



Country	# of Sessions		% of Sessions	
	Sept 2014 – Feb 2015		Feb 2015 – May 2015	
United States	3,611,265	96.88%	2,290,468	88.56%
China	63,157	1.69%	50,572	1.96%
Belarus	-	-	31,711	1.23%
India	23,366	0.63%	9,899	0.38%
Russia	-	-	7,972	0.31%
Italy	-	-	7,552	0.29%
Bahrain	-	-	6,220	0.24%
Philippines	4,308	0.12%	-	-
Canada	3,507	0.09%	5,951	0.23%
Germany	-	-	5,474	0.21%
Mexico	3,091	0.08%	3,981	0.15%

State	% of Sessions	
	Sept 2014 – Feb 2015	Feb 2015 – May 2015
California	75.30%	76.09%
Colorado	-	4.13%
Virginia	11.15%	1.98%
Illinois	2.27%	2.25%
Texas	1.70%	1.69%
New York	-	1.64%
Nevada	-	1.38%
Arizona	1.11%	1.23%



Device Type	% of Sessions	
	Sept 2014 – Feb 2015	Feb 2015 – May 2015
Desktop	82.65%	82.72%
Mobile	13.63%	14.09%
Tablet	3.72%	3.19%

Desktop Browser	% of Sessions	
	Sept 2014 – Feb 2015	Feb 2015 – May 2015
Internet Explorer	36.15%	30.14%
Chrome	35.22%	38.18%
Firefox	13.29%	16.73%
Safari	13.27%	12.61%

Mobile/Tablet Devices	% of Sessions	
	Sept 2014 –Feb 2015	Feb 2015 – May 2015
Apple iPhone	38.85%	40.60%
Apple iPad	17.66%	15.06%
Samsung SM-G900V Galaxy S5	2.18%	2.68%
Samsung SCH-I545 Galaxy S IV	1.32%	1.07%
Samsung SM-G900A Galaxy S5	1.19%	1.59%
Samsung SM-N900V Galaxy Note 3	1.16%	0.95%
Samsung SM-G900P Galaxy S5	1.01%	1.17%
Samsung SM-G900T Galaxy S5	-	0.94%
Samsung SM-N910V Galaxy Note 4	-	0.92%
Samsung SCH-I535 Galaxy S III	0.97%	-
Samsung SM-N900T Galaxy Note 3	0.86%	-



VIDEO/DIGITAL SERVICES

Public Meetings

- *Four Committee Meetings – Live Webcasts*

On April 27, 2015, PAO provided live webcasts of four committee meetings (Licensing, Legislative, Enforcement, and Public Affairs).



CSLB Public Affairs Committee Meeting April, 2...



CSLB Enforcement Committee Meeting April, 2...



CSLB Legislative Committee Meeting April, 27, 2015



CSLB Licensing Committee Meeting April 27, 2015

- *Public Works Registration Training Session – Live Webcast*

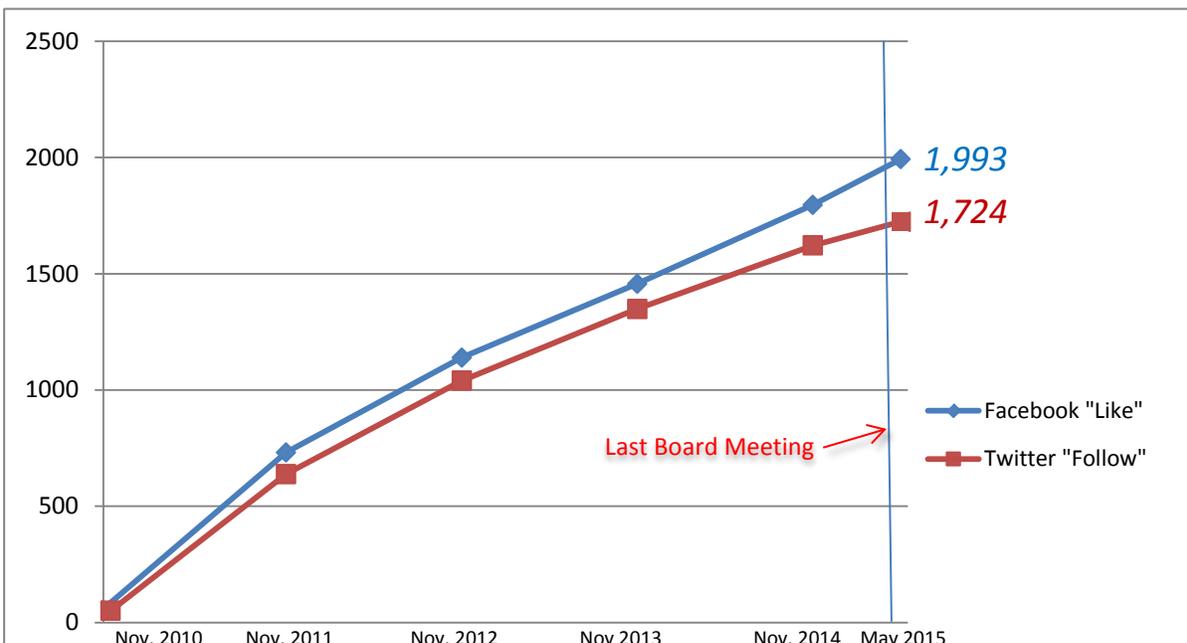
On April 28, 2015, PAO provided live webcast of a training session conducted by CSLB’s Enforcement division and the Department of Industrial Relations. The topic was new registration requirements for CSLB licensees that bid for public works contracts. The three-hour live webcast was accessed by an average of 180 computers.



Public Works Registration Seminar April 28, 2015

Both webcasts are available for viewing on CSLB’s YouTube Channel.

Social Media





Twitter Growth

Between February 22, 2015 and May 27, 2015, CSLB gained 52 followers on Twitter, growing from 1,672 to 1,724.

- 82 percent of followers are male; 18 percent female – **Unchanged from last report**
- 25 percent of followers are in Los Angeles
- Tweets receive an average of 11,300 impressions (views) per month – **20 percent increase since last Board meeting**
- Most viewed tweet:
 - Bonney Plumbing Settlement (900 views)

Facebook Growth

As of May 27, 2015, CSLB has 1,993 “likes” on its Facebook page, an increase of 88 since the March 2015 Board meeting.

- 69 percent of those who “like” CSLB on Facebook are male, 30 percent are female – **Unchanged since last report**
- 40 percent of CSLB’s Facebook fans are between the ages of 35 and 54
- Postings receive approximately 1,000 views each week
- Most viewed posts:
 - CSLB Spring Blitz Video – 2,300 reach
 - Bonney Plumbing Settlement – 722 reach

The following chart shows the net growth per day since mid-April 2015 for CSLB’s Facebook page. The blue line represents individuals who have “liked” CSLB, and the red areas individuals who “liked” CSLB at one point, but have since “un-liked” CSLB.





YouTube Growth

CSLB's YouTube Channel welcomed 9,241 visitors between March 16, 2015 and May 12, 2015, an average of 308 daily visitors. This is double the amount of daily views as reported at the March 2015 Board meeting. These viewers watched a combined total of 42,604 minutes of video.

- 70 percent of views come from computers, with 28.2 percent coming from tablets and mobile devices
- A total of 297,987 viewers have accessed CSLB's YouTube Channel, an increase of 62,589 views from last year
- 22 percent of the viewers watched the "Completing a Contractor License Application" video
 - The combined views of that six video series totals 64,301

Flickr Growth

CSLB is expanding its portfolio of photographs on Flickr, a no-cost, photo-sharing social media website.

Flickr allows PAO staff to upload and post high-resolution photos as individual photographs, or in album format. Flickr also permits professional media and industry followers of CSLB to download photographs at the resolution level of their choosing.

As of May 27, 2015, CSLB has 100 photos available for download on Flickr.



Email Alert Feature

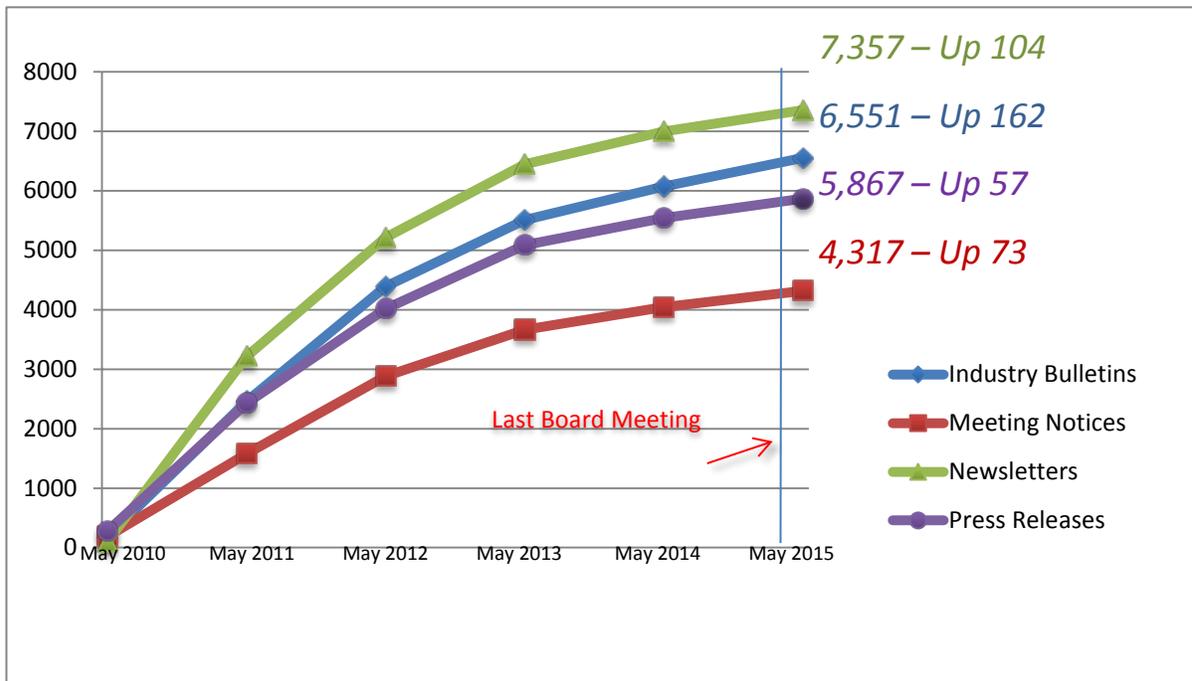
PAO continues to publicize a website feature launched in May 2010 that allows people to subscribe to their choice of four types of CSLB email alerts:

- California Licensed Contractor newsletters
- News Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas

The subscriber database has a current total of 24,092 subscriptions, which includes 352 new accounts since the March 2015 Board meeting.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,388 active email addresses, which brings the combined email database to 102,480 addresses.

Email Alert Sign-Up Statistics





MEDIA RELATIONS HIGHLIGHTS

Media Calls

Between March 1, 2015 and May 27, 2015, PAO staff responded to 57 media inquiries and provided interviews to a variety of online, newspaper, radio, magazine, and television outlets.

Month	# of Media Calls
March 2015	26
April 2015	24
May 2015	7
Total	57

News Media Events

PAO hosted a media event on March 13, 2015, to announce the results of CSLB’s Spring California Blitz sting operation. The event was held in Madera and included participation from Madera County District Attorney David Linn and City of Madera Police Chief Steve Frazier.



In addition, on April 1, 2015, PAO Chief Rick Lopes participated in a media event held by Kern County District Attorney Lisa Green, which centered on unlicensed contracting and a recent conviction of an unlicensed contractor that led to a one-year county jail term.



On May 21, 2015, PAO served in a support role for the California Department of Insurance’s (CDI) Operation Underground. CSLB enforcement staff were included in nine teams that conducted sweep operations around the state. PAO worked with CDI’s press office on the news release, and other information distributed to the media.



News Releases

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between February 18, 2015 and June 1, 2015, PAO distributed 13 news releases.

Release Date	Release Title
February 18, 2015	Contractors State License Board Teams with Local Agencies to Target Orange County Unlicensed Contractors
February 25, 2015	CSLB Finds Repeat Offenders in Alhambra Undercover Sting
February 26, 2015	Almost Two Dozen Bogus Contractors Caught in Less Than One Week at Contractors State License Board's Sacramento-Area Stings
March 13, 2015	CSLB Catches Felons, Other Known Criminals in Simultaneous Statewide Undercover Sting Operations
March 27, 2015	CSLB Reminds Contractors to Register with DIR Before Bidding on Public Works Projects
April 10, 2015	Contractors State License Board, Bonney Plumbing Reach Settlement
April 13, 2015	CSLB Drives Home Message to Unlicensed Contractors in Ventura County
April 30, 2015	CSLB's Compton Sting Shows Phony Landscapers Sprout in Drought
May 13, 2015	Unlicensed Contractors Face Multiple Criminal Charges After CSLB Sting in Santa Cruz
May 13, 2015	CSLB Sends a Message to Unlicensed Contractors in Santa Rosa
May 29, 2015	CSLB Sting in Woodland Hills Shows "Handymen" Crossing Legal Line
June 1, 2015	CSLB Sting Shuts Down Illegal Contracting in Bay Point
June 1, 2015	Repeat Offenders during CSLB Fresno Sting Proves Need to "Check The License First"



INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS

Industry Bulletins

PAO distributes industry bulletins to alert industry members to important and interesting news. Bulletins are sent via email on an as-needed basis to just over 6,000 individuals and groups, including those who have signed-up to receive the bulletins via CSLB’s Email Alert system. Between February 18, 2015 and June 1, 2015, PAO distributed three industry bulletins.

Release Date	Bulletin Title
February 27, 2015	Industry Expert Contractors Needed in Central Valley
March 27, 2015	CSLB Reminds Contractors to Register with DIR Before Bidding on Public Works Projects
May 26, 2015	Paying Fees Easier, Expanding at CSLB Offices

PUBLICATION/GRAPHIC DESIGN HIGHLIGHTS

CSLB publications (print and online) in production:

Completed

- Construction Complaints brochures (English & Spanish)
- What is a Stop Order? brochure
- Winter 2015 *California Licensed Contractor* newsletter
- Spring 2015 *California Licensed Contractor* newsletter

In Production

- What You Should Know Before Hiring a Contractor brochure
- Don’t Get Scammed brochure (Spanish)
- Voluntary & Arbitration Program Guides
- Licensed Contractor brochure (English & Spanish)
- What Seniors Should Know Before Hiring a Contractor brochure (Spanish)
- Small Claims Court brochure
- Preventing Mechanics Liens brochure (English & Spanish)
- Using the Small Claims Court
- New Consumer Guide booklet
- New Contractor/Applicant Guide booklet
- Building Official Guide booklet
- Notice to Appear form
- Wall posters for Fresno & Norwalk offices



In Development

- New Senior Scam Stopper flyer template
- New Mandatory Settlement Conference Tips card
- New outreach pull-up banners

COMMUNITY OUTREACH HIGHLIGHTS

Senior Scam StopperSM Seminars

Twenty-six Senior Scam StopperSM seminars were conducted or scheduled to be conducted between the March 2015 Board meeting and the June 2015 Board meeting.

Following is a list of completed and/or scheduled seminars through the end of July 2015:

Date	Location	Legislative/Community Partner(s)
March 20, 2015	Anaheim	Asm. Tom Daly
March 26, 2015	Suisun City	Asm. Jim Frazier
March 27, 2015	Santa Ana	Asm. Tom Daly
April 1, 2015	Sacramento	Neil Orchard Sr. Activities Center
April 2, 2015	Los Angeles	Sen. Ben Allen
April 6, 2015	San Diego	Rep. Scott Peters
April 9, 2015	Fontana	Rep. Norma Torres
April 10, 2015	Vacaville	Asm. Jim Frazier
April 16, 2015	Castro Valley	Asm. Bill Quirk
April 17, 2015	Thousand Oaks	Asm. Jacqui Irwin
May 1, 2015	San Marino	Sen. Carol Liu
May 8, 2015	Foster City	Asm. Kevin Mullin
May 9, 2015	Los Angeles	Asm. Sebastian Ridley-Thomas
May 13, 2015	San Jose	Asm. Nora Campos
May 14, 2015	Pleasanton	Asm. Catharine Baker
May 15, 2015	Indio	Sen. Jeff Stone
May 20, 2015	Leisure World/Seal Beach	Leisure World Parks & Rec. Dept.
May 21, 2015 AM	San Diego	Rep. Scott Peters
May 21, 2015 PM	Los Angeles	Asm. Sebastian Ridley-Thomas
May 22, 2015	Murrieta	Sen. Jeff Stone
May 27, 2015	San Jose	Asm. Nora Campos
May 28, 2015	Union City	Asm. Bill Quirk
May 29, 2015	Camarillo	Asm. Jacqui Irwin
June 9, 2015	San Jose	Asm. Nora Campos
June 12, 2015	Moreno Valley	Sen. Richard Roth
June 16, 2015	Culver City	Asm. Sebastian Ridley-Thomas



June 19, 2015	Altadena	Asm. Chris Holden
June 25, 2015	Los Angeles	Asm. Roger Hernandez
June 26, 2015	Ventura Co. – TBA	Sen. Hannah-Beth Jackson
July 10, 2015	Norwalk	Asm. Ian Calderon
July 17, 2015	Long Beach (tentative)	Asm. Patrick O'Donnell
July 23, 2015	Rossmoor (Contra Costa County)	Asm. Catharine Baker
July 24, 2015	Cambria	Sen. Bill Monning/Asm. Katcho Achadjian
July 29, 2015	Los Angeles	Sen. Holly Mitchell
July 31, 2015	Los Angeles	Asm. Roger Hernandez

EMPLOYEE RELATIONS

Intranet (CSLBin)

In November 2013, PAO, with the assistance of IT staff, launched a new employee-only intranet site, called *CSLBin*. The site reorganized information used by employees on a daily basis.

Since its debut, *CSLBin* has posted dozens of stories and photos of CSLB employees around the state and their good deeds, as well as board highlights, including disaster response and enforcement operations.

News about employees and the organization are prominently featured on the *CSLBin* home page. Another section, "Employee Highlights," features more staff news such as awards, retirements, and promotions. There also is a photo gallery where multiple pictures are posted and a "10-Second Bio" that spotlights CSLB employees in their work role or in the community. An archive section houses older stories and photos that can be easily retrieved.

Staff reaction to the site has been very positive. Employees from around the state have supplied a steady stream of photos and news tips about colleagues and upcoming events.

CSLBin also functions as a resource center for employees, with easier-to-find forms, policies, training and safety information, and other information used by staff around the state. Other features include Board member biographies, an enhanced staff phone list, event calendar, real-time weather updates, and photo slide shows.



AGENDA ITEM G

Licensing



AGENDA ITEM G-1

Review and Possible Approval of April 27, 2015 Licensing Committee Meeting Summary Report





CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

LICENSING COMMITTEE MEETING

April 27, 2015

Sacramento

A. CALL TO ORDER AND CHAIR'S INTRODUCTORY REMARKS

Committee Chair Linda Clifford called the Contractors State License Board (CSLB) Licensing Committee meeting to order at 8:33 a.m. on Monday, April 27, 2015, in the John C. Hall Hearing Room at CSLB Headquarters, 9821 Business Park Drive, Sacramento, California, 95827. A quorum was established.

Committee Members Present

Linda Clifford, Chair

Kevin Albanese

Susan Granzella

Frank Schetter

Board Members Present

Joan Hancock

Agustin Beltran

Ed Lang

CSLB Staff Present

Cindi Christenson, Registrar

Cindy Kanemoto, Chief Deputy Registrar

Charlotte Allison, Licensing Staff

Rick Lopes, Chief of Public Affairs

David Fogt, Chief of Enforcement

Laura Zuniga, Chief of Legislation

Karen Robinson, Chief of Licensing

Wendi Balvanz, Chief of Testing

Betsy Figueria, Licensing Manager

Melanie Bedwell, Public Affairs Staff

Ashley Caldwell, Public Affairs Staff

Candis Cohen, Enforcement Staff

Heather Young, Enforcement Staff

Raju Sah, Information Technology Staff

Kristy Schieldge, Staff Counsel

Others Present

Beverly Carr, Politico Group

Phil Vermeulen, Governmental Relations Advocate

Rick Pires, Basic Crafts

Committee Chair Linda Clifford welcomed Committee members and asked for introductions.



CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

B. PUBLIC COMMENT

No public comment was presented.

C. LICENSING PROGRAM UPDATE

Chief of Licensing Karen Robinson provided updates on the licensing application and transactions units, including the Experience Verification, Judgment, and Criminal Background unit's workload and processing times. Call volumes and wait times in the call center continue to meet Board goals.

D. TESTING DIVISION UPDATE

Chief of Testing Wendy Balvanz provided updates on examination development and administration. Staff is currently working on occupational analysis of seven (7) examinations, with another nine (9) examinations in the beginning phase of review. The Testing division also is assisting the Department of Consumer Affairs with the development of Civil Service Examinations; most recently the Management Services Technician examination.

E. REVIEW, DISCUSSION AND POSSIBLE ACTION REGARDING 2015-16 LICENSING STRATEGIC PLAN OBJECTIVES:

Chief of Licensing Karen Robinson and Testing Chief Wendi Balvanz presented the items to the Committee.

Motion to approve 2015-16 Licensing Strategic Plan Objectives

A motion was made by Committee Member Kevin Albanese and seconded by Committee Member Frank Schetter to approve the 2015-16 Licensing Strategic Plan Objectives. The motion carried unanimously, 4-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Linda Clifford	X				
Susan Granzella	X				
Frank Schetter	X				



CONTRACTORS STATE LICENSE BOARD

LICENSING COMMITTEE SUMMARY REPORT

F. REVIEW, DISCUSSION AND POSSIBLE ACTION REGARDING ACCEPTABLE FORMS OF SUPPORTING DOCUMENTATION FOR EXPERIENCE PURSUANT TO CALIFORNIA CODE OF REGULATIONS SECTION 824

Licensing Manager Betsy Figueria presented this item to the Committee and explained briefly the experience requirement and the various acceptable forms of documentation that applicants can submit to support their claimed experience.

Motion to Approve Table of Acceptable Supporting Experience Documentation
A motion was made by Committee Member Kevin Albanese and seconded by Committee Member Susan Granzella to adopt the Table of Acceptable Experience Documentation. The motion carried 3-1.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Linda Clifford	X				
Susan Granzella	X				
Frank Schetter		X			

G. ADJOURNMENT

Licensing Committee Chair Linda Clifford adjourned the meeting at 9:25 a.m.

AGENDA ITEM G-2

Licensing Program Update





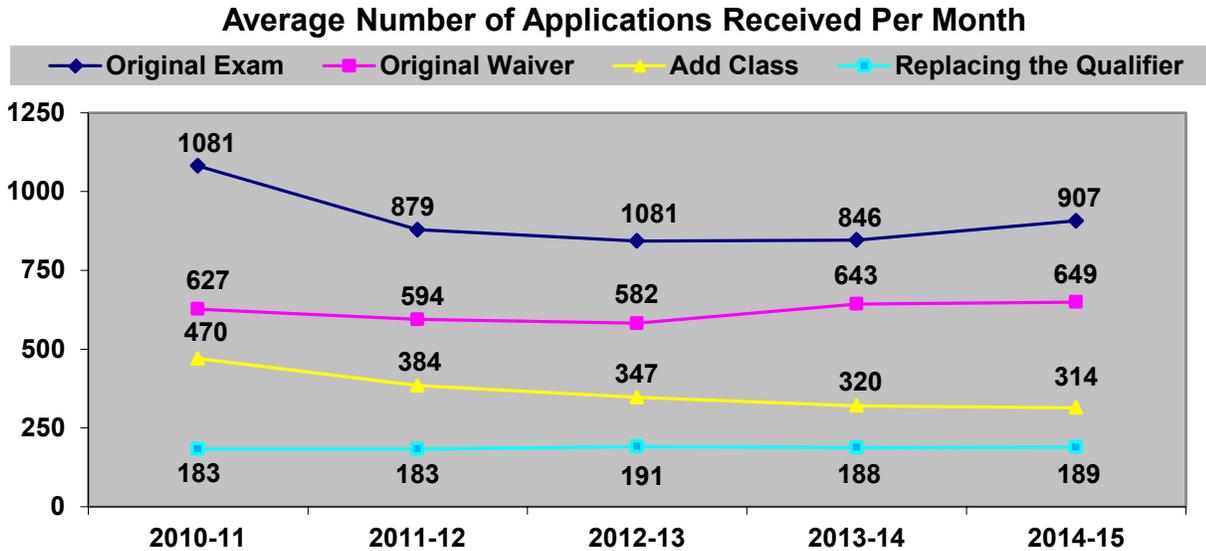
CONTRACTORS STATE LICENSE BOARD

LICENSING PROGRAM UPDATE

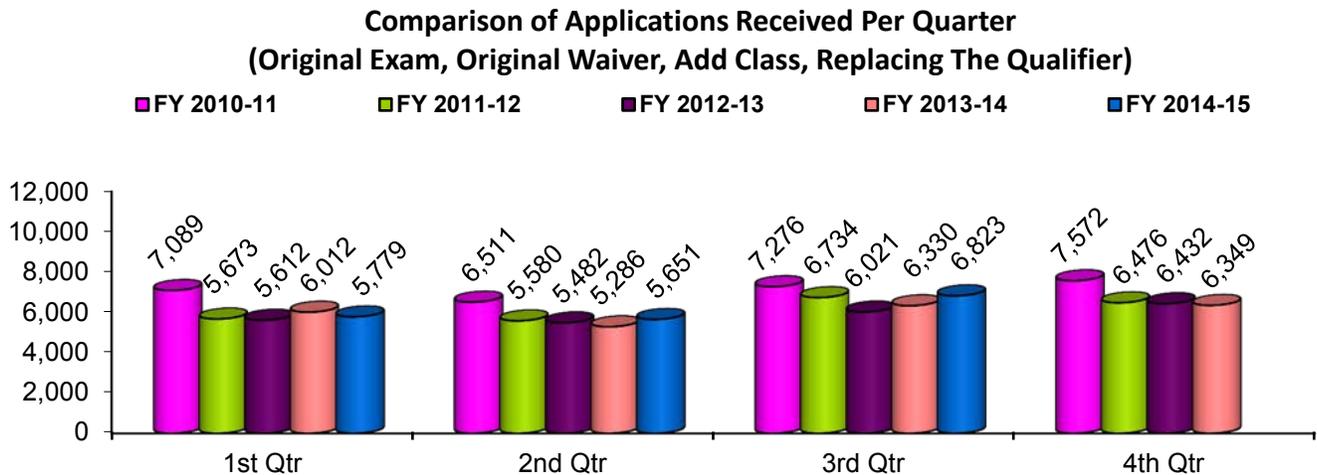
LICENSE APPLICATION WORKLOAD

The number of applications CSLB received in fiscal year (FY) 2013-14 trended upward 2 percent from the previous year, reversing the decline in recent years because of the economic recession and housing downturn.

The following chart provides the average number of applications received per month:



The total number of applications received by fiscal year quarter is shown below:

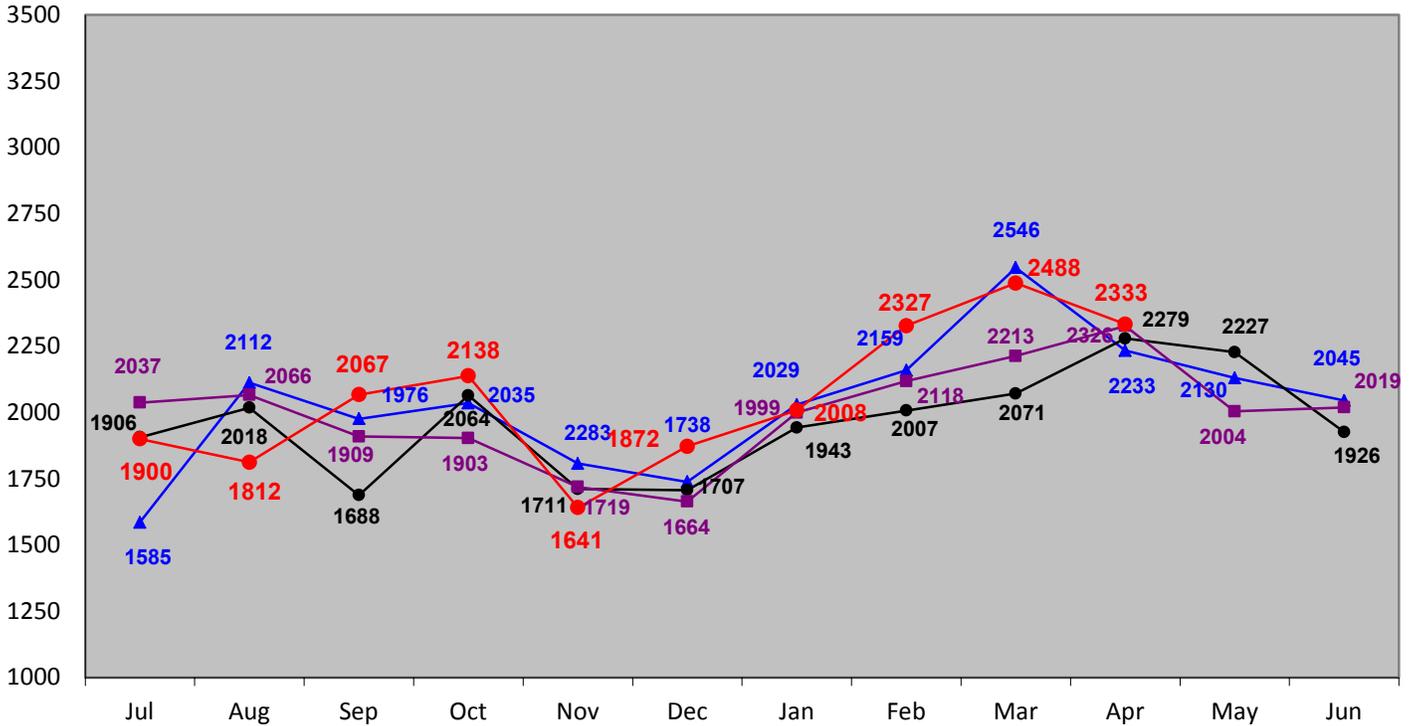


Increase of 2 percent for total applications received for FY 2013-14 compared with FY 2014-15



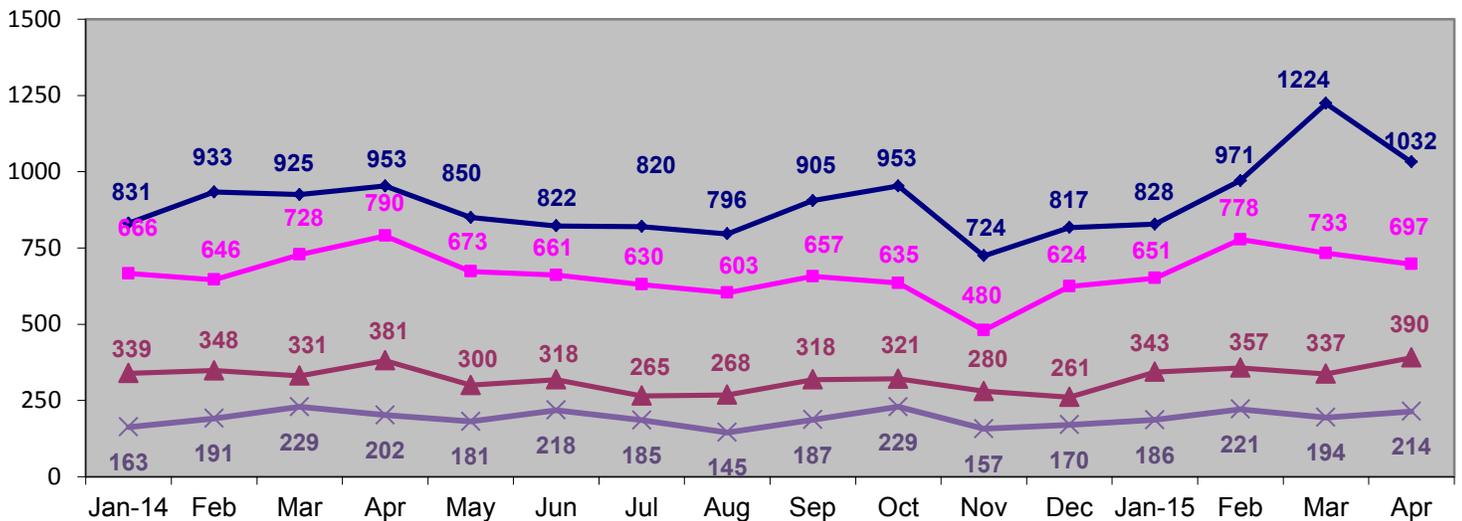
**Total Number of Applications Received Per Month
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)**

—▲— 2011-12 —●— 2012-13 —■— 2013-14 —●— 2014-15



Number of Applications Received

—◆— Original Exam —■— Original Waiver —▲— Add Class —×— Replacing the Qualifier





LIMITED LIABILITY COMPANIES (LLCs)

Effective January 1, 2012, a new law (SB 392) authorized CSLB to issue licenses to LLCs.

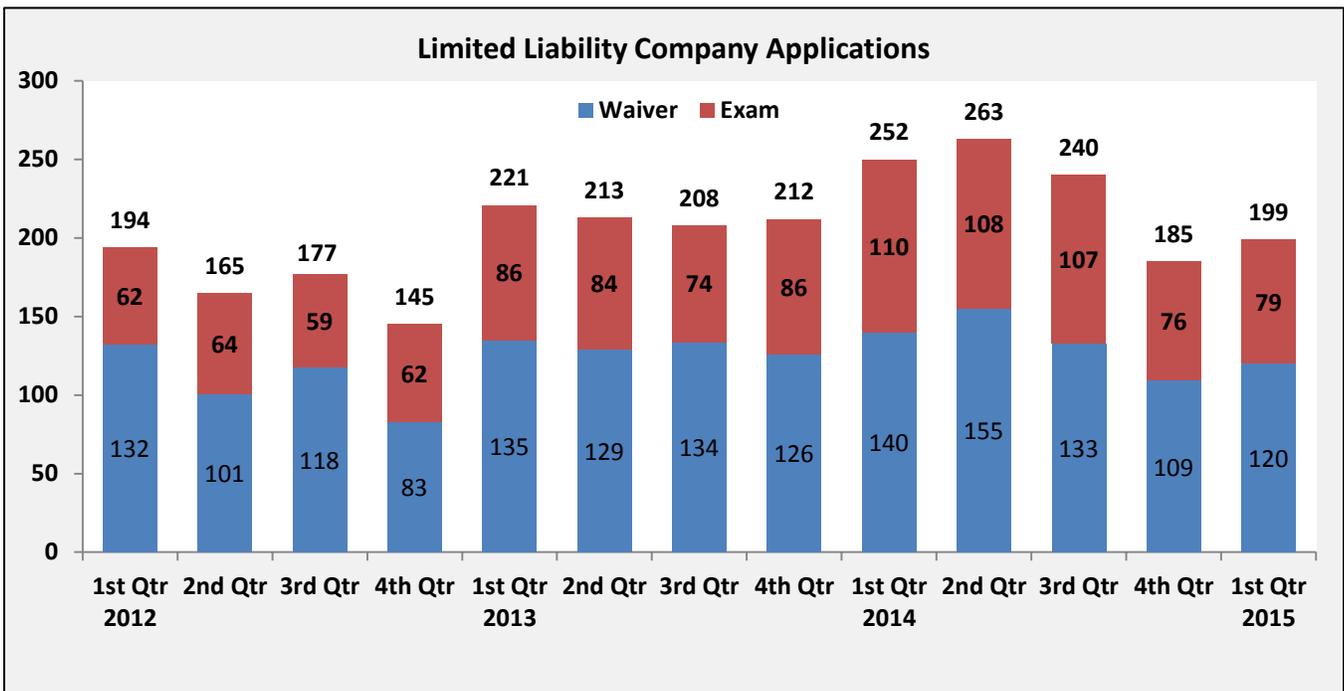
The legislation noted that contractors have been allowed to operate as corporations, and to be designated as “S” or “C” corporations for many years, with well-established case law regarding the ability to “pierce the corporate veil.” With this law, the Legislature intended to also apply this doctrine to LLCs.

Since case law has not yet established this principle in California, applicants must secure an additional \$100,000 bond for the benefit of workers relative to payment of wages and fringe benefits. This ensures that workers are protected despite the absence of case law dealing with LLCs. This bond is in addition to the \$12,500 contractor bond.

LLCs are qualified by responsible managing officers, responsible managing members, responsible managing managers, or responsible managing employees. All officers, members, managers, directors, and qualifiers of LLCs must be listed on the application as personnel of record.

LLCs also are required to have at least \$1 million in liability insurance when five or fewer persons are listed as personnel, with an additional \$100,000 required for each additional personnel member, not required to exceed \$5 million.

Number of LLC applications received quarterly since January 2012:





**LLC Application (Waivers and Exams Combined)
Quarterly Processing Data**

Received	194	165	172	132	663	223	204	208	212	847	250	263	240	185	938	199
Returned for Correction	113	99	129	86	427	134	133	134	126	527	156	152	136	119	563	138
Issued	5	10	7	5	27	16	8	9	2	35	16	12	13	24	65	4
Processed	70	53	33	38	194	72	56	57	79	264	72	91	88	39	290	51
Void or Withdrawn	6	3	3	3	15	1	7	8	5	21	6	8	3	3	20	1
Not Yet Processed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5
	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	Year Total	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	Year Total	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	Year Total	1 st Qtr.
Year	2012					2013					2014					2015

Most Common Reasons for Rejection:

1. Personnel listed on application does not match the personnel listed on SOS records
2. LLC/SOS registration number and/or business name is missing or incorrect
3. Personnel information needs clarification or is missing, i.e., DOB, middle name, title
4. Questions section (page 2 of application, #10-14) is missing or incomplete

Of the 2,724 original LLC applications received through April 30, 2015, CSLB issued 984 limited liability company contractor licenses. The most common reason for rejection continues to be staff's inability to match the name(s), title(s), and total count of LLC personnel on the application with the Statement of Information (SOI) provided in the records of the Office of Secretary of State. The SOI information is required to process the LLC application and provides staff with the total number and names of LLC personnel, which is crucial to determine the appropriate liability insurance requirement (between \$1 million and \$5 million) for the LLC.

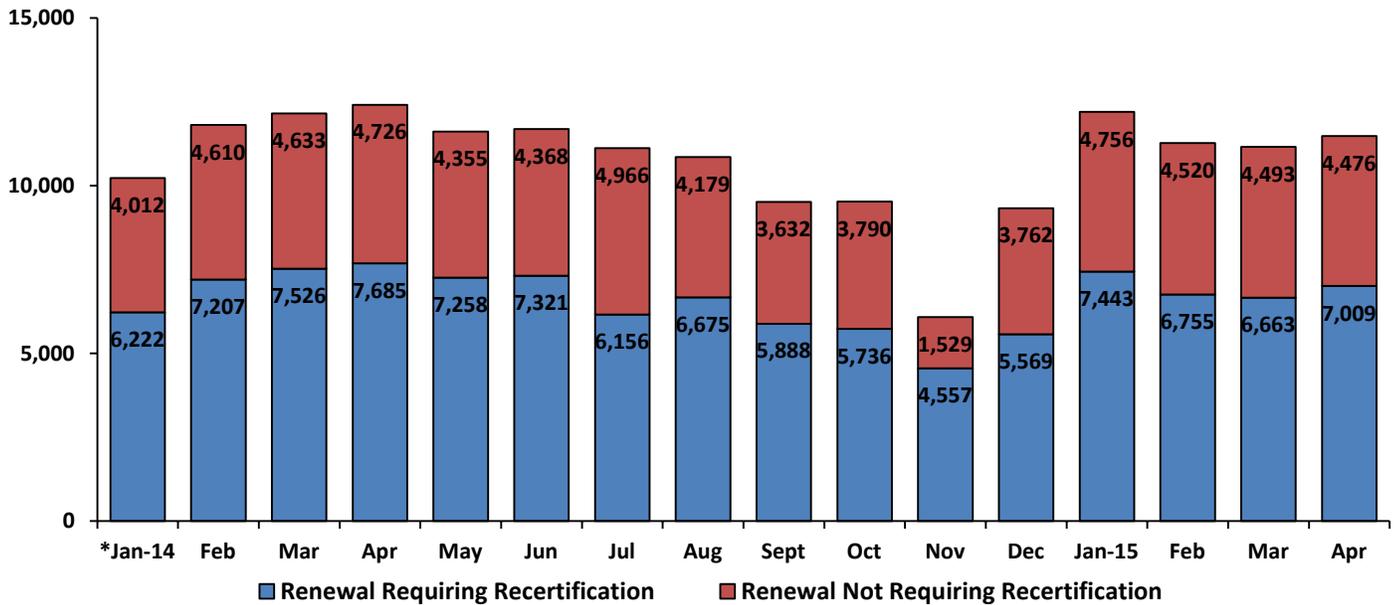


WORKERS' COMPENSATION RECERTIFICATION

Business and Professions Code §7125.5 (Assembly Bill 397) took effect on January 1, 2012. Licensing implemented the requirements of the new law in January 2013, effective for licenses expiring March 31, 2013. This law requires that, at the time of renewal, an active contractor with an exemption for workers' compensation insurance on file with CSLB either recertify the exemption or provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If, at the time of renewal, the licensee fails to recertify his or her exempt status or to provide a workers' compensation policy, the law allows for the retroactive renewal of the license if the licensee submits the required documentation within 30 days after notification by CSLB of the renewal rejection.

The following chart provides a breakdown of the number of renewal applications mailed each month that required recertification of the exemption or a current, valid Certificate of Workers' Compensation Insurance or a Certificate of Self-Insurance to renew the license.

Renewal Applications Mailed Per Month

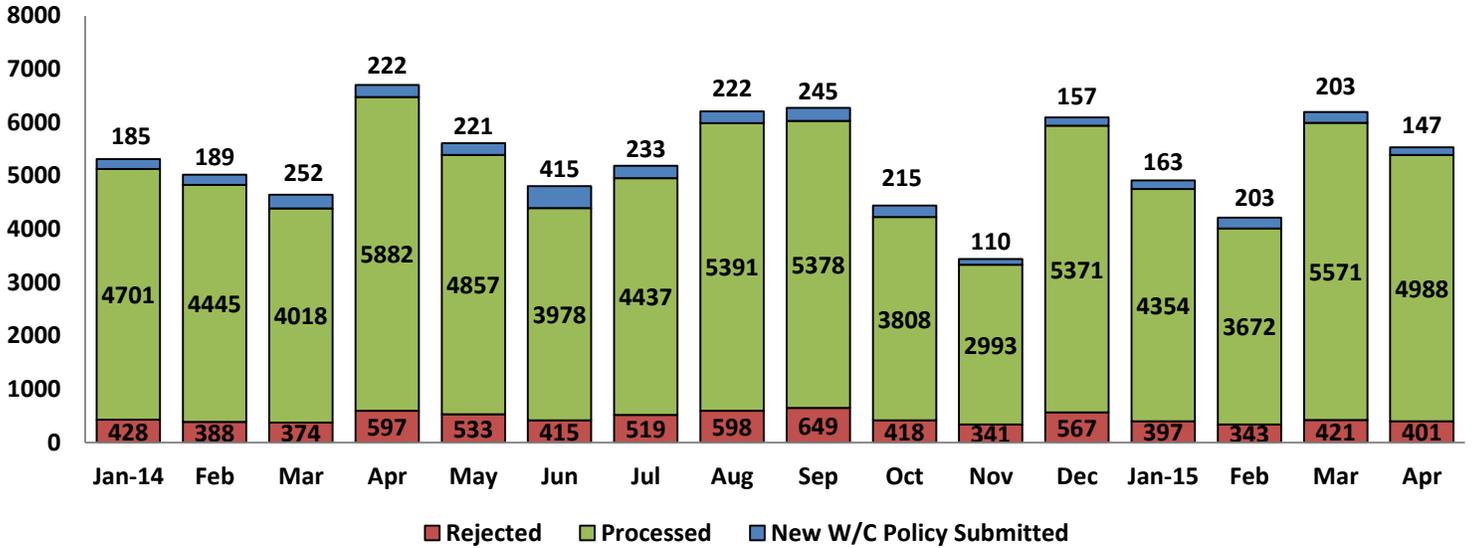


*Represents month of mailing, not month of license expiration



The chart below indicates the number of renewal applications processed each month, beginning in January 2014, which required workers' compensation recertification. Included is the number of new workers' compensation policy certificates received and placed on record during renewal recertification.

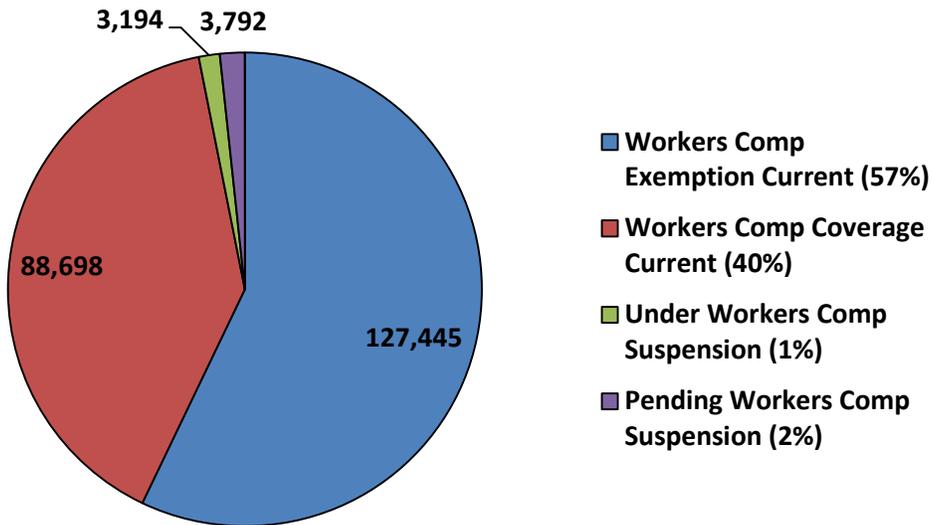
**B&P Code section 7125.5 Renewal of License
Recertification of Exemption for Workers' Compensation Insurance**



Data obtained from L737-Renewal Statistics Report

This chart provides a snapshot of workers' compensation coverage for active licenses:

Workers' Comp Coverage for Active Licenses - May 1, 2015



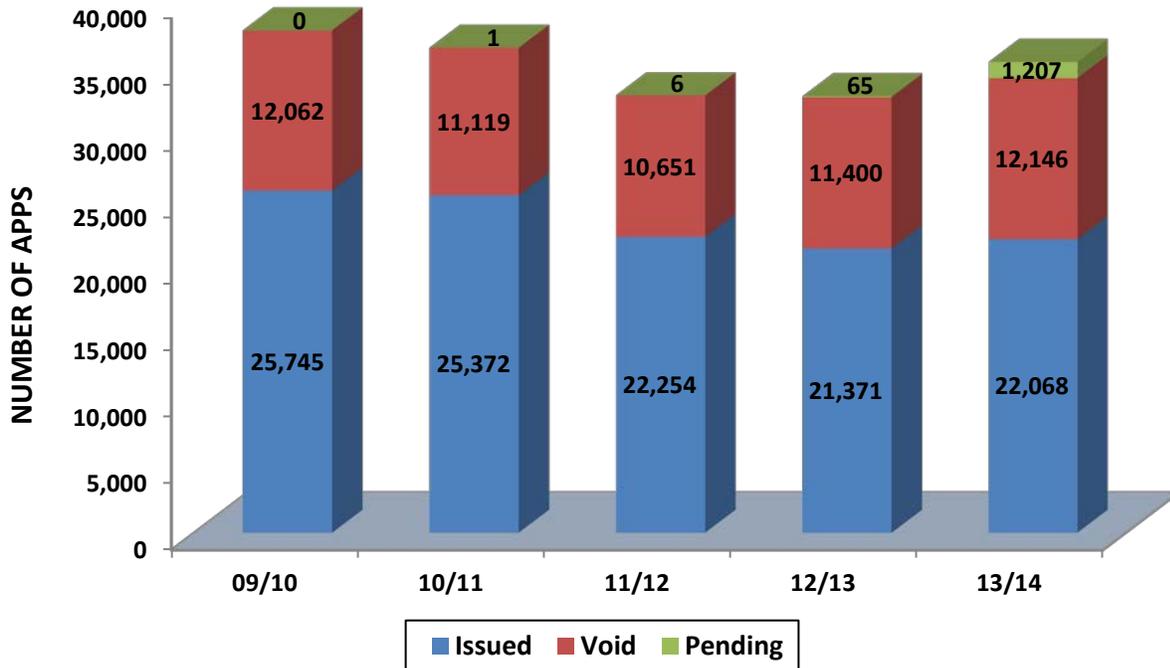
Total Number of Active Licenses: 223,129

Data obtained from Teale Program ACTLICWC



Disposition of Applications by Fiscal Year Teale Report S724: Run Date 05-01-2015

(Includes: Original, Add Class, Replacing the Qualifier, Home Improvement Salesperson, Officer Changes)



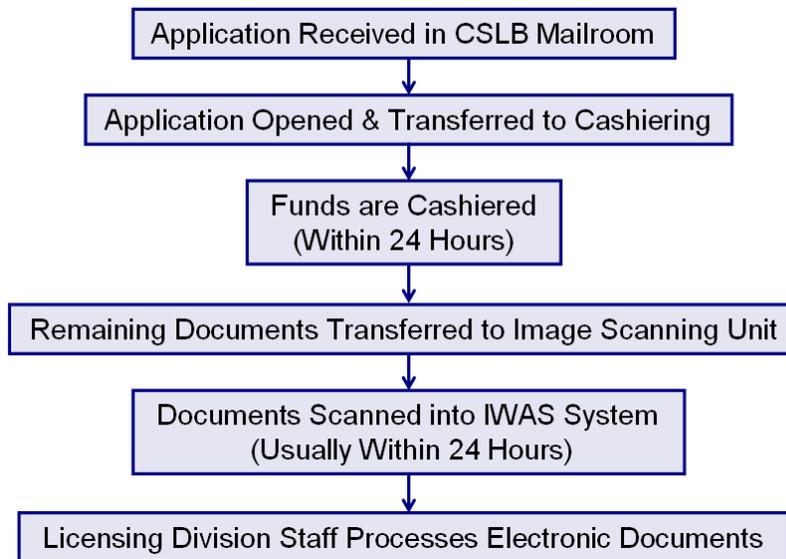
CSLB management continues to monitor processing times for the various licensing units on a weekly and monthly basis. The charts on the last four pages of this report track the “weeks to process” for the application and license maintenance/transaction units.

The charts indicate the average number of weeks to process for that particular month. Processing times, or “weeks to process,” refers to the average number of weeks before an application or document is initially pulled for processing by a technician after it arrives at CSLB.

The time-to-process timelines for applications and renewals include an approximate two-day backlog that accounts for the required cashiering and image-scanning tasks that must be completed before an application or document can be processed.



CSLB Application Processing Route



Since FY 2008-09, Licensing has used a diminished amount of overtime, in contrast to previous years when overtime was a regular occurrence due to furloughs. Throughout schedule and staff level fluctuations, Licensing has maintained acceptable processing times.

FINGERPRINTING/CRIMINAL BACKGROUND UNIT

Since January 2005, all applicants for a CSLB license, and each officer, partner, owner, and responsible managing employee, member and manager as well as all applicants to be home improvement salespersons, must be fingerprinted and undergo a criminal background check conducted by the California Department of Justice (DOJ). Individuals currently licensed by CSLB who do not apply for any changes to their license and applicants for a joint venture license are not required to be fingerprinted.

Criminal Background Unit (CBU) staff begins processing Criminal Offender Record Information (CORI) on the same day it is received by conducting a triage to clear applicants who have minor, clearable convictions, provided that the applicant honestly disclosed that information on the CSLB application. Applicants who do not disclose what would have been considered minor, clearable convictions may be given the opportunity to withdraw the false application and submit a new one that lists their conviction(s), and include appropriate fees. These withdrawal offers also are processed as part of the triage.

Since the fingerprint program began, CSLB has received 322,368 transmittals from DOJ. These include clear codes and conviction information.

Of the applicants fingerprinted during that time, CBU staff received CORI for approximately 56,400 applicants, an indication that DOJ and/or the Federal Bureau of Investigation had a criminal conviction(s) on record for that individual.



As a result of CORI files received through April 30, 2015, CBU denied 1,225 applications and issued 1,541 probationary licenses; 612 applicants appealed their denials.

Below is a breakdown of CBU statistics by fiscal year.

Criminal Background Unit Statistics								
	FY 04-05 thru FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	TOTALS
DOJ Records Received	188,847	27,330	24,730	18,805	18,270	20,395	23,421	321,798
CORI RAPP Received	30,153	5,254	5,201	3,997	3,663	3,768	3,629	56,453
Denials	844	63	108	70	67	37	36	1,225
Appeals	406	29	62	39	36	23	17	612
Probationary Licenses Issued	622	203	243	146	71	76	80	1,541

EXPERIENCE VERIFICATION UNIT

CSLB is required by law to investigate a minimum of 3 percent of applications received to review applicants’ claims of work experience. Until 2005, application experience investigations were performed by the Licensing division. However, in early 2005, when the fingerprinting requirements were implemented, Licensing requested that the application experience investigation workload be transferred to the Enforcement division. This enabled Licensing staff, who had previously conducted application experience investigations, to review criminal histories. But, as of June 1, 2014, Licensing has reassumed the formal application investigation process. Licensing continues to follow the same procedures as Enforcement.

In January 2013, in order to streamline the application process, as well as to reduce the time and expense of formal investigations, Licensing combined the work experience verification process with the standard application review. The goal of the program is to assist qualified applicants in becoming licensed and to ensure that all licensed contractors meet minimum qualifications. While this process is not a formal investigation, it is intended to verify the work experience claimed by the applicant. Applicants are provided with a number of options for verifying their experience. In instances when CSLB is unable to confirm the experience, three options are offered to the applicant:

- Identify a new qualifier who possesses the required experience;
- Withdraw the application and reapply when the necessary experience has been gained; or
- Request a formal experience investigation.

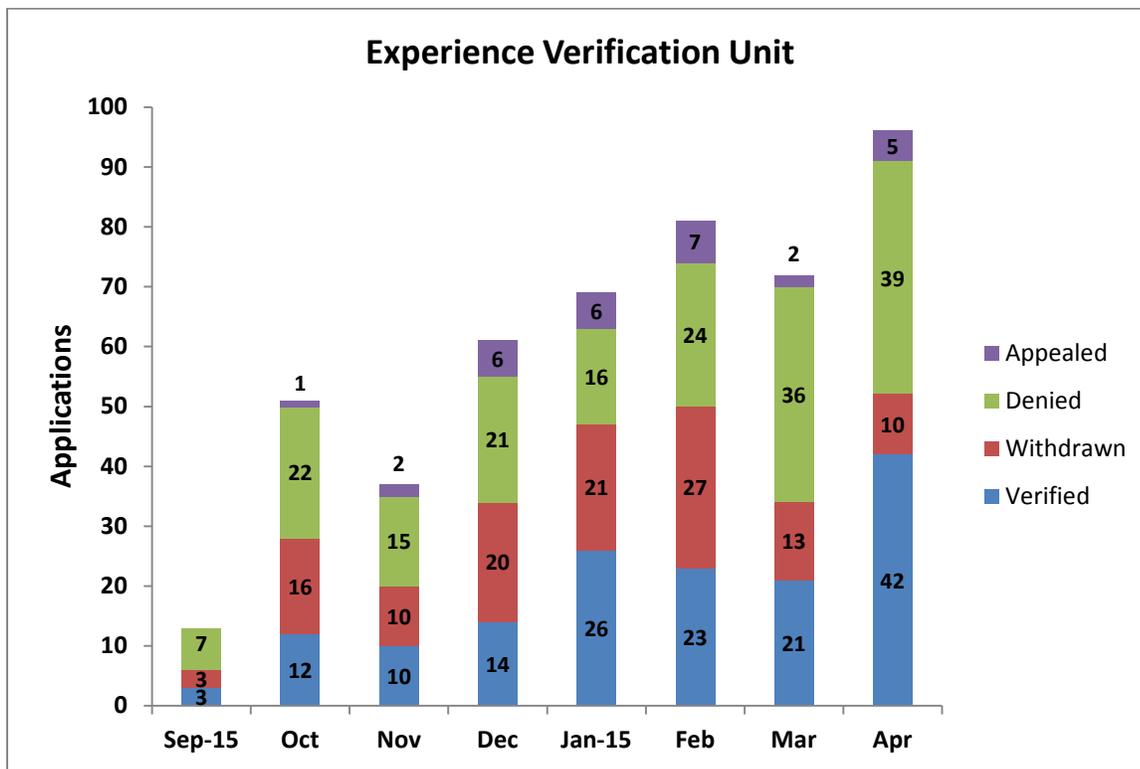


In December 2013, CSLB conducted a seminar for contractor schools to review the experience verification process so they could better help clients provide CSLB the necessary verification information to become licensed.

Also, in June 2014, application processing staff underwent training on procedures to verify experience. Following the training, about 40 percent fewer applications were referred for formal investigation compared with the previous quarter.

The Experience Verification Unit was transferred to the Licensing Division on July 1, 2014, and fully staffed by November 20, 2014. Statistical reporting for the unit was in place September 1, 2014.

The following chart provides a monthly breakdown of the action taken for applications referred to the Experience Verification Unit.



Since implementation, the Experience Verification Unit staff has been assigned a total of 600 applications for experience verification and the number of applications referred to the unit each month meets the 3 percent minimum requirement (Business and Professions Code §7068(g) and California Code of Regulations 824).

The Experience Verification Unit denied 176 applications, of which 29 were appealed and 150 verified for continued processing. One hundred seventeen applications were withdrawn.



Currently, 157 applications are pending further review or awaiting additional supporting experience documentation from the applicant.

The chart below provides the classification breakdown for appeals, denials, withdrawals, and experience verifications for fiscal year 2014-15 through April 30, 2015.

Experience Verification By Classification

Classification	Appealed	Withdrawn	Verified	Denied
A General Engineering	2	14	12	10
B General Building	21	84	78	122
C-5 Framing/Rough Carp			2	
C-6 Cabinet-Millwork			1	
C-7 Low Voltage			2	1
C-8 Concrete			2	2
C-9 Drywall	1			3
C-10 Electrical		7	10	5
C-12 Earthwork & Paving		1		2
C-15 Flooring		1	2	2
C-16 Fire Protection			1	
C-17 Glazing				1
C-20 HVAC	1	3	4	6
C-21 Bldg. Moving Demo				2
C-23 Ornamental Metal			1	
C-27 Landscaping	1	4	7	7
C-29 Masonry		1	1	
C-31 Construction Zone				1
C-33 Painting			2	2
C-35 Lath-Plaster	1		1	1
C-36 Plumbing	1	1	12	7
C-39 Roofing				1
C-46 Solar	1		1	1
C-54 Tile		1	4	
C-57 Well Drilling		1	2	1
C-60 Welding		1		
C-61 Limited Specialty		1	5	1
Totals	29	117	150	176

**LICENSING INFORMATION CENTER (LIC)****LIC Workload**

LIC (call center) staff has continued to exceed Board goals. To date, for fiscal year 2014-2015, call center agents answer approximately 13,000 calls per month. Call wait times averaged only 4:37, with 95 percent of all incoming calls answered. The average length of each call was 3:47.

These improved statistics can be attributed to improved staffing levels and training. Employees hired in 2014 continue to benefit from comprehensive training and are becoming more seasoned each day.

Staffing Update

LIC is currently fully staffed, with 15 full-time Program Technician II's and two Retired Annuitants.

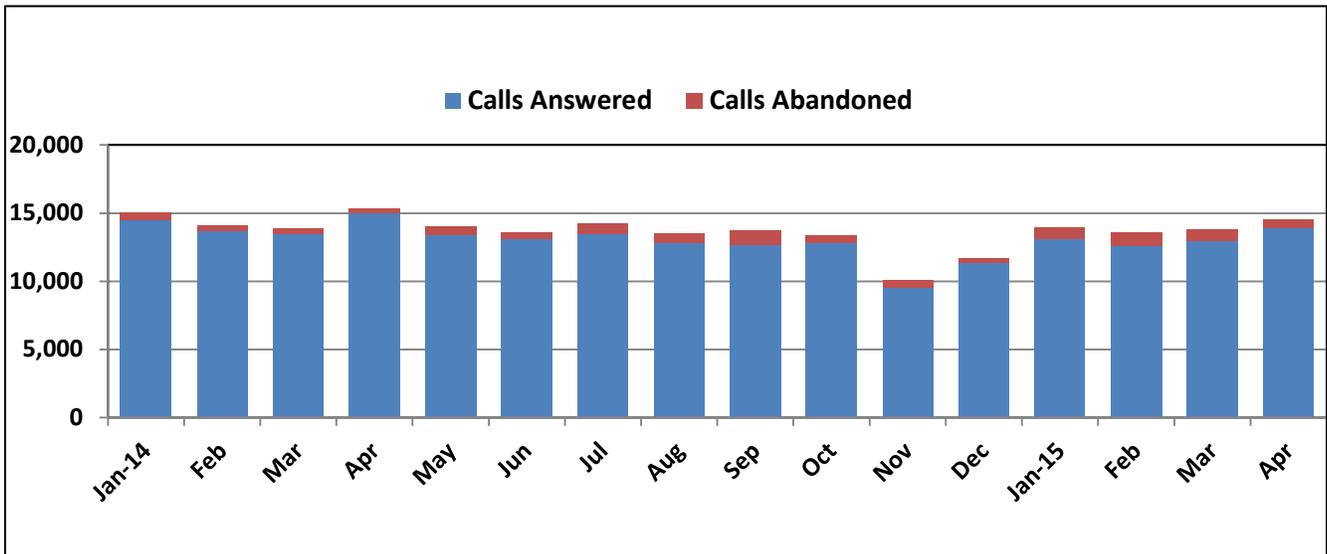
Increased Training

LIC continues to strive to provide timely, efficient, and professional services to its customers. New employees have spent significant time in one-on-one training with seasoned staff and supervisors. LIC also meets bi-monthly with the CSLB Classification Deputy for updated classification changes, and keeps in constant contact with the other licensing units to ensure that the public receives the most current information. The LIC SSA is preparing for the next Board orientation for new employees. The orientation, scheduled for August 2015 (exact dates TBD), will be webcast via CSLB's intranet for staff in Southern California offices.



LICENSING INFORMATION CENTER CALL DATA

	Jan '14	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan '15	Feb	Mar	Apr
Calls Received	14,484	13,699	13,868	15,289	13,997	13,566	14,271	13,467	13,759	13,397	10,090	11,735	13,984	13,595	13,788	14,490
Calls Answered	13,919	13,325	13,456	14,983	13,370	13,100	13,521	12,805	12,637	12,809	9,507	11,405	13,156	12,633	12,927	13,889
Calls Abandoned	564	373	412	305	626	466	747	657	1,067	567	566	327	823	958	854	599
Longest Wait Time	10:46	4:46	4:39	5:48	8:37	5:49	10:50	13:35	10:10	7:52	12:05	5:56	10:32	12:59	12:17	11:06
Shortest Wait Time	0:27	0:26	0:17	0:18	0:27	0:26	0:30	0:39	1:18	0:28	0:19	0:10	0:45	0:44	0:31	0:34
Average Wait Time	2:37	1:50	2:10	1:23	1:44	2:28	4:36	4:35	4:53	4:48	4:43	4:46	4:39	4:30	4:12	4:37



**JUDGMENT UNIT**

Judgment Unit staff process all outstanding liabilities, judgments, and payment of claims reported to CSLB by licensees, consumers, attorneys, credit recovery firms, bonding companies, CSLB's Enforcement division, and other governmental agencies. In addition, the Judgment Unit processes all documentation and correspondence related to resolving issues such as, satisfactions, payment plans, bankruptcies, accords, motions to vacate, etc.

Outstanding liabilities are reported to CSLB by:

- Employment Development Department
- Department of Industrial Relations
 - Division of Occupational Safety and Health
 - Division of Labor Standards Enforcement
- Franchise Tax Board
- State Board of Equalization
- CSLB Cashiering Unit

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

Payments of claims are reported to CSLB by:

- Bonding companies

When CSLB receives timely notification of an outstanding liability, judgment, or payment of claim, an initial letter is sent to the licensee explaining options and the timeframe to comply, which is 90 days for judgments and payment of claims, and 60 days for outstanding liabilities.

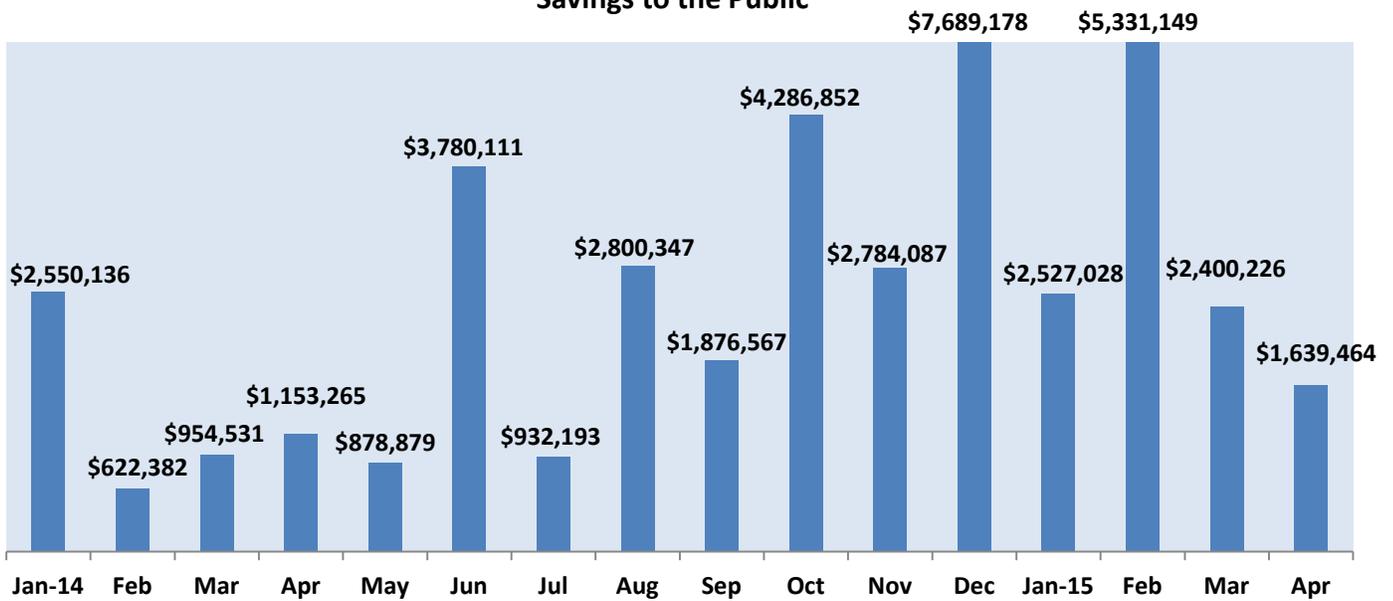
If the licensee fails to comply within the allotted timeframe, the license is suspended and a notice of suspicion is sent to the contractor. Upon compliance, a reinstatement letter is sent to the licensee.



Outstanding Liabilities

	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2015	Feb	Mar	Apr
Initial	75	80	42	82	54	41	91	24	86	89	48	54	46	46	38	57
Suspend	64	30	40	97	37	66	41	31	72	22	63	88	42	40	42	36
Reinstate	47	29	40	42	33	60	36	31	61	83	63	173	63	100	42	43

Savings to the Public

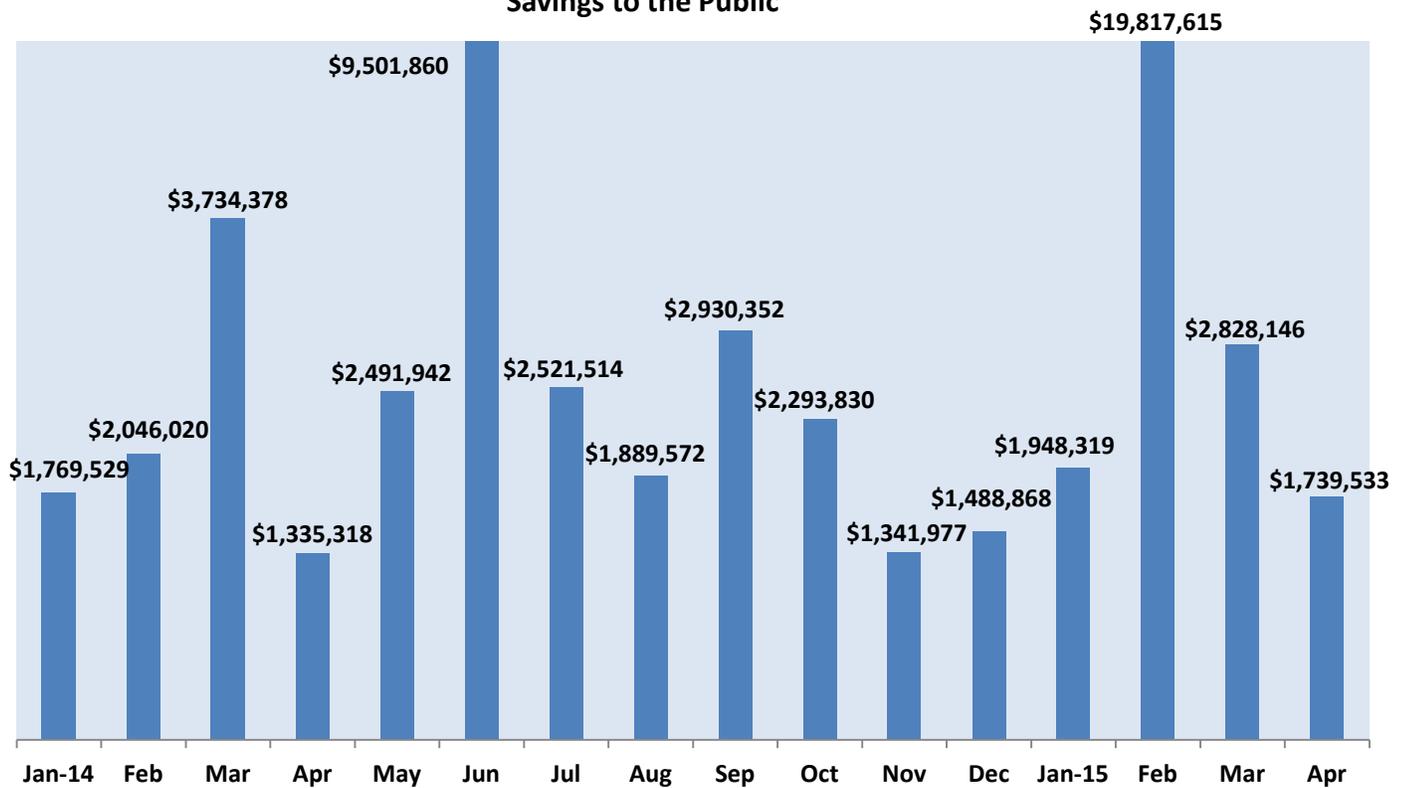




Judgments

	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2015	Feb	Mar	Apr
Initial	159	149	199	213	151	220	184	191	183	192	137	145	181	112	185	145
Suspend	48	56	52	54	33	72	86	57	117	95	100	103	96	53	68	54
Reinstate	108	115	137	128	118	118	118	109	123	117	97	116	109	132	134	121

Savings to the Public

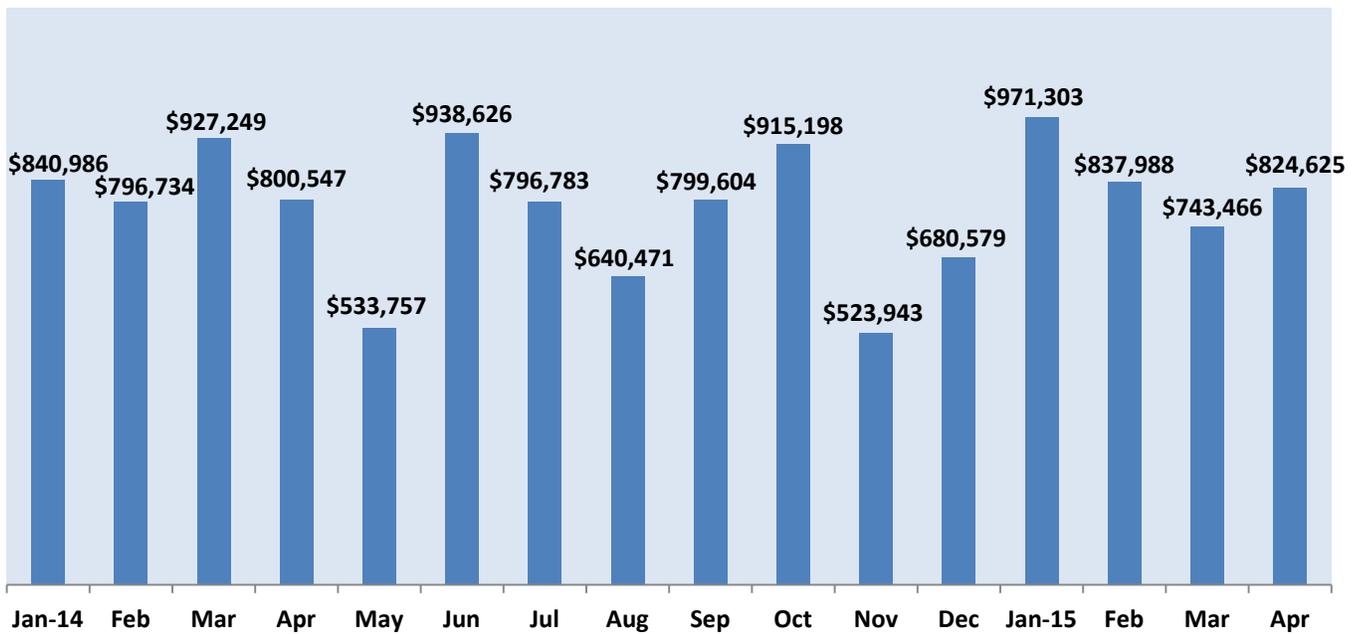




Bond Payment of Claims

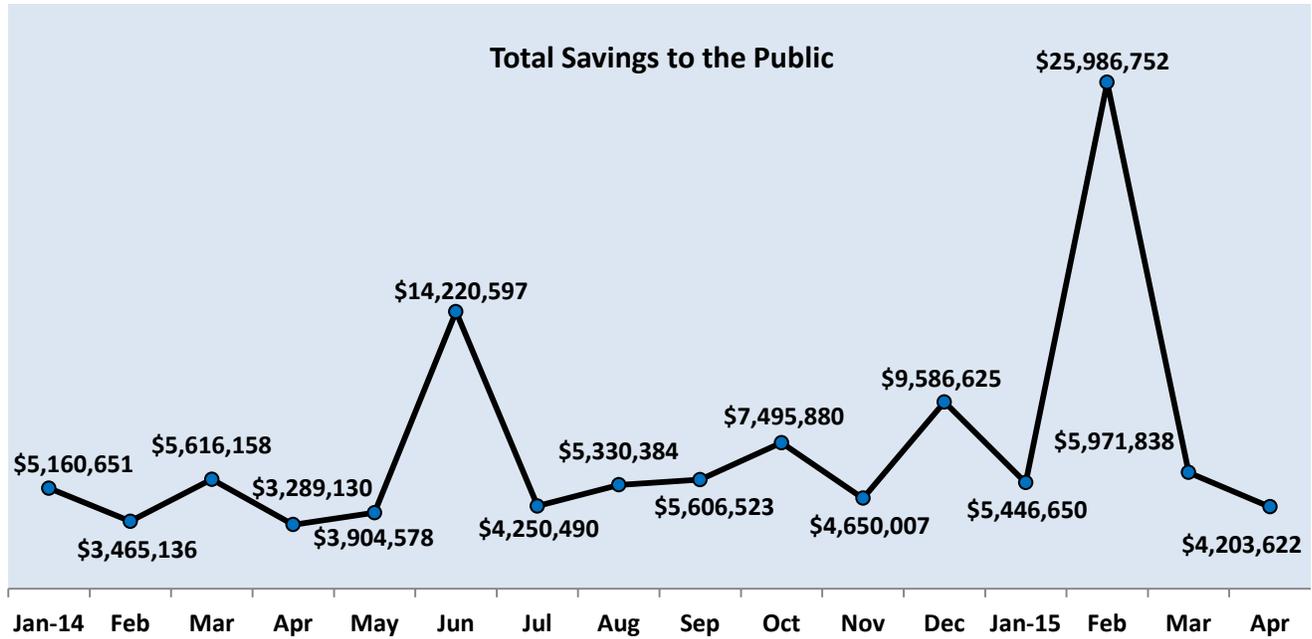
	Jan 2014	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2015	Feb	Mar	Apr
Initial	157	122	201	150	56	323	183	124	219	271	93	150	253	153	122	207
Suspend	173	106	41	60	62	98	57	8	187	86	41	142	126	39	60	114
Reinstate	154	135	144	133	90	176	147	118	140	155	103	126	159	148	130	140

Savings to the Public





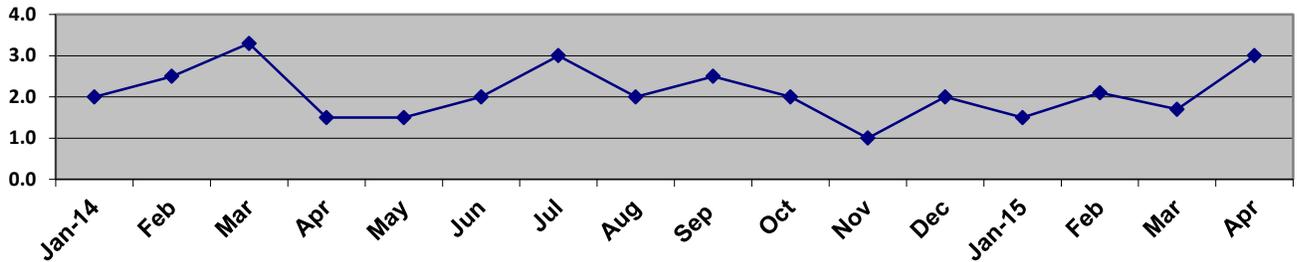
The chart below illustrates the combined total savings to the public by month for outstanding liabilities, judgments and payments of claim.



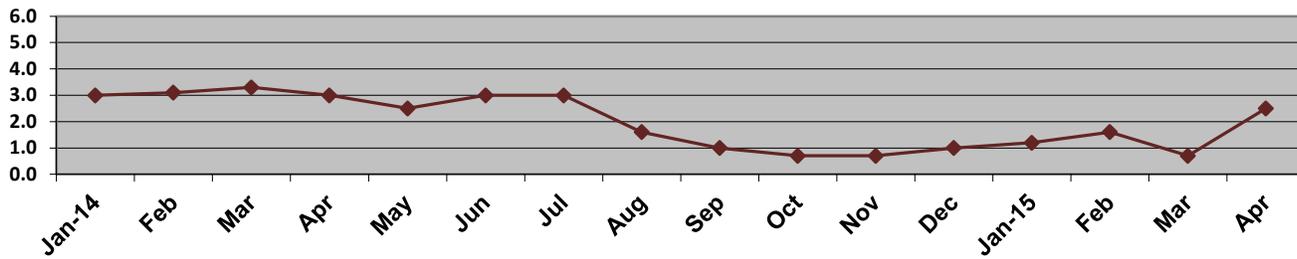


Number of Weeks before Being Pulled for Processing

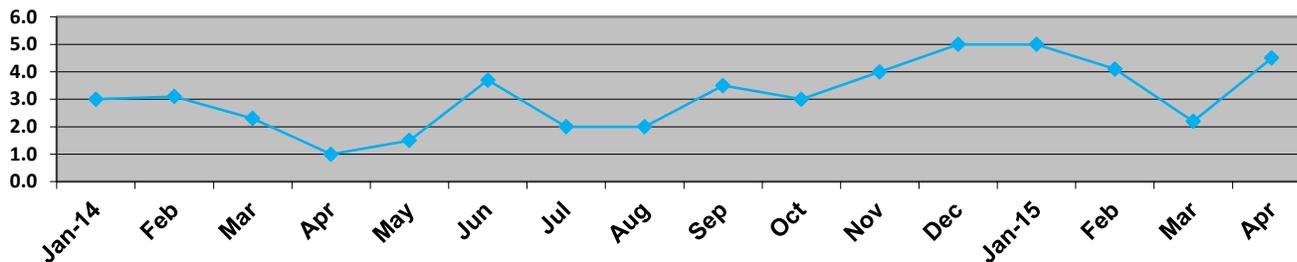
Application for Original License - Exam



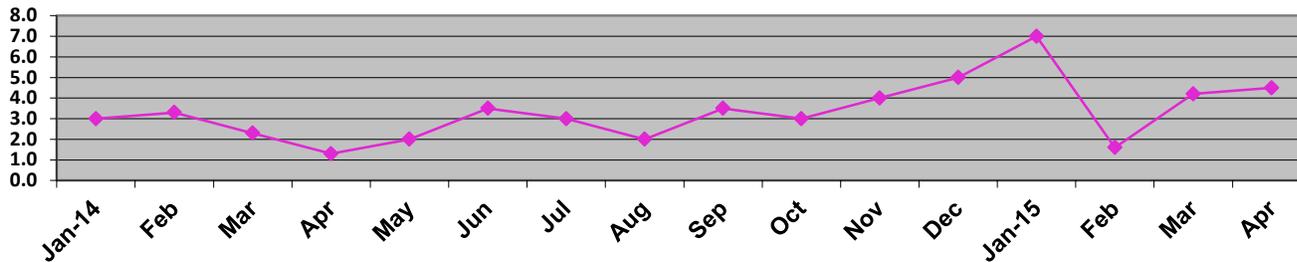
Application for Original License - Waiver



Application for Additional Classification



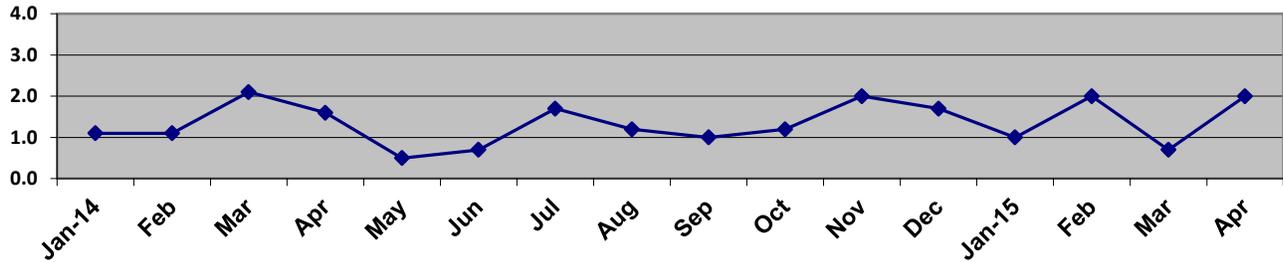
Application to Replace the Qualifier



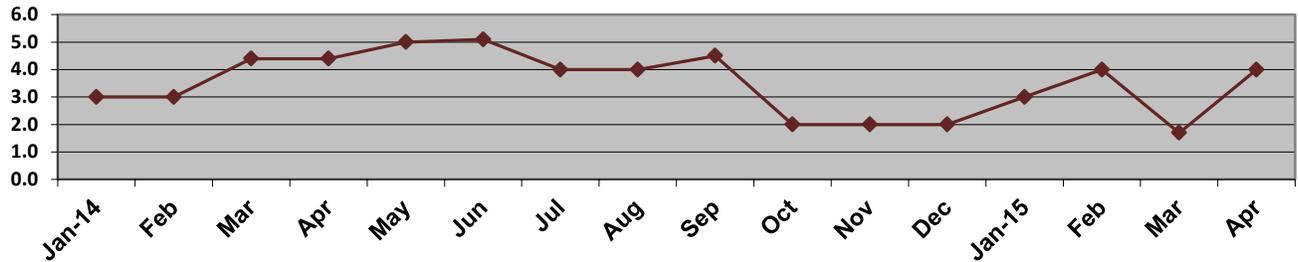


Number of Weeks before Being Pulled for Processing

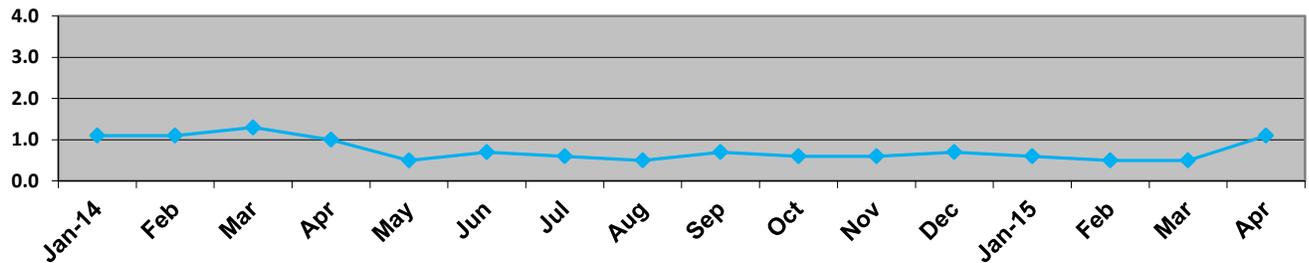
Application for Renewal



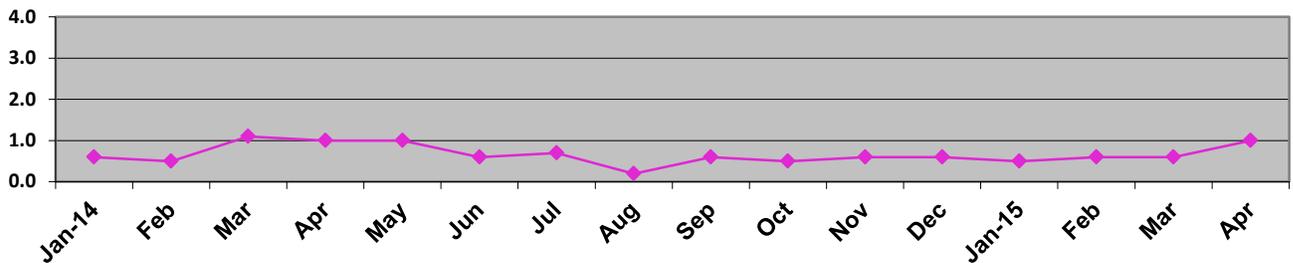
Home Improvement Salesperson (HIS) Application



Application to Add New Officer



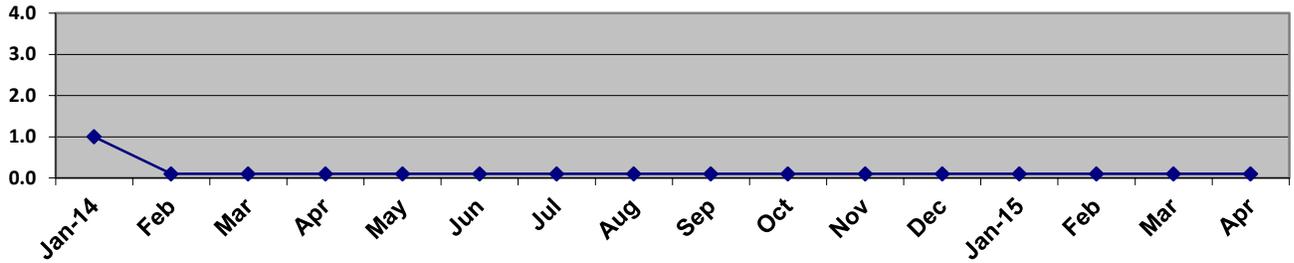
Application to Change Business Name or Address



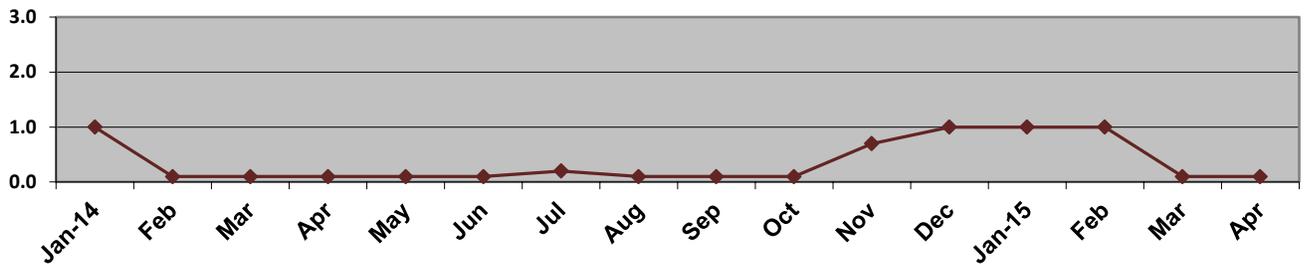


Number of Weeks before Being Pulled for Processing

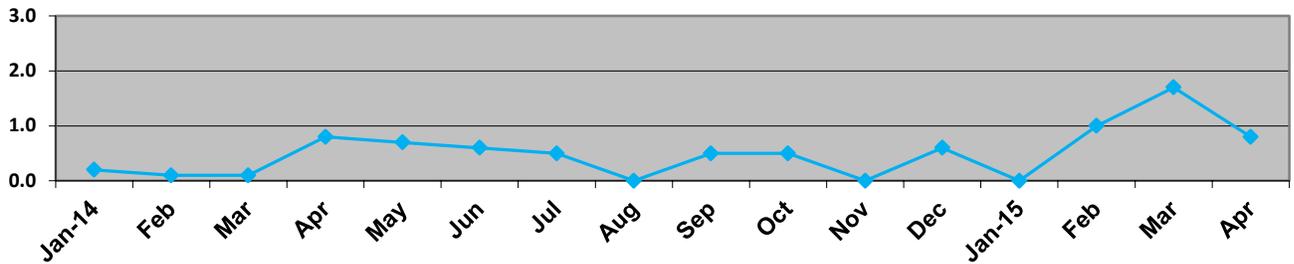
Contractors Bond, Bond of Qualifying Individual, LLC Worker Bond, Disciplinary Bond and Qualifier Exemptions



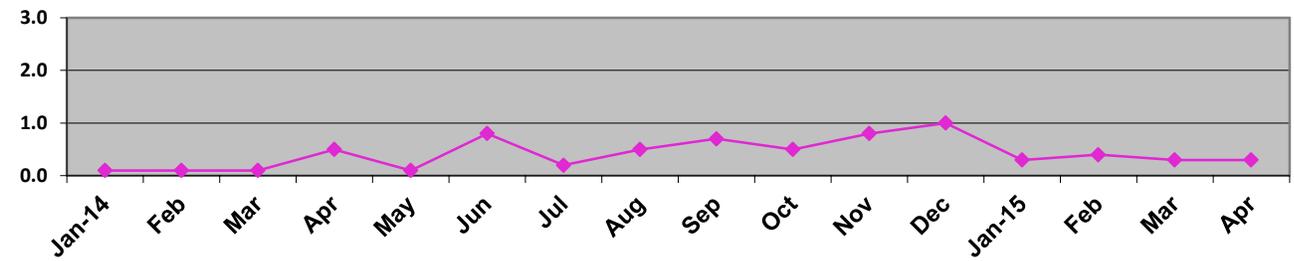
Workers' Compensation Certificates and Exemptions



Certified License History



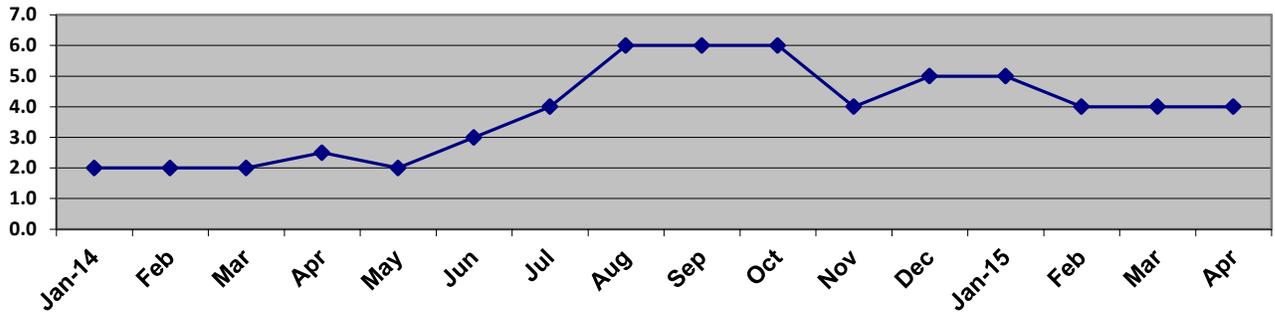
Request for Copies of Documents





Number of Weeks before Being Pulled for Processing

Criminal Background Unit – CORI Review



AGENDA ITEM G-3

Testing Program Update





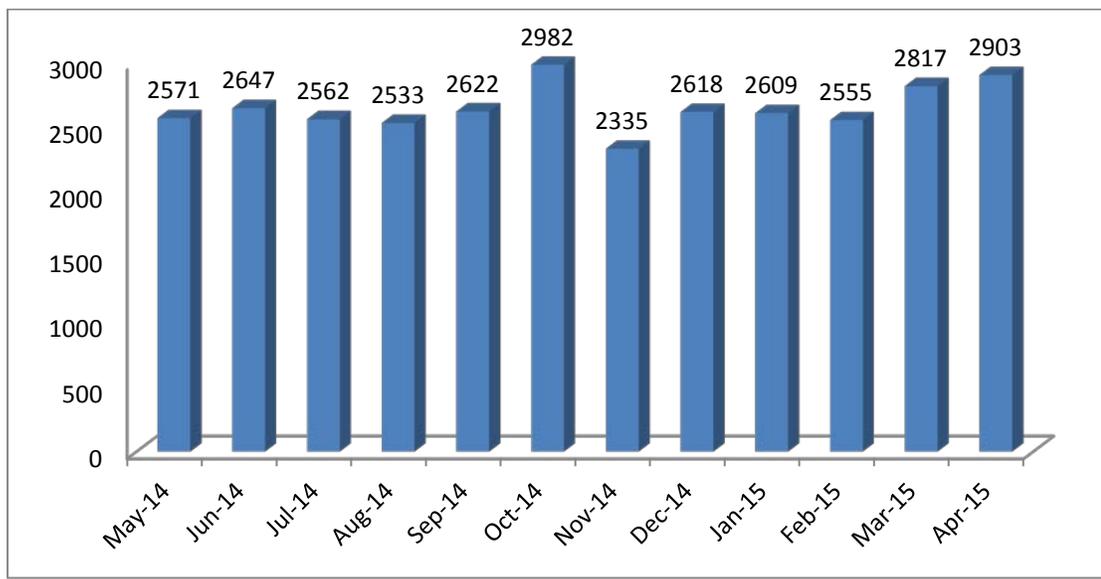
CONTRACTORS STATE LICENSE BOARD

TESTING PROGRAM UPDATE

EXAMINATION ADMINISTRATION UNIT (EAU)

The Testing division's EAU administers CSLB's 46 examinations at eight computer-based test centers. Most test centers are allocated two full-time test monitor positions, with part-time proctors filling in as needed. Test monitors also respond to all interactive voice response (IVR) messages received by CSLB that are related to testing.

Number of Examinations Scheduled May 2014 – April 2015



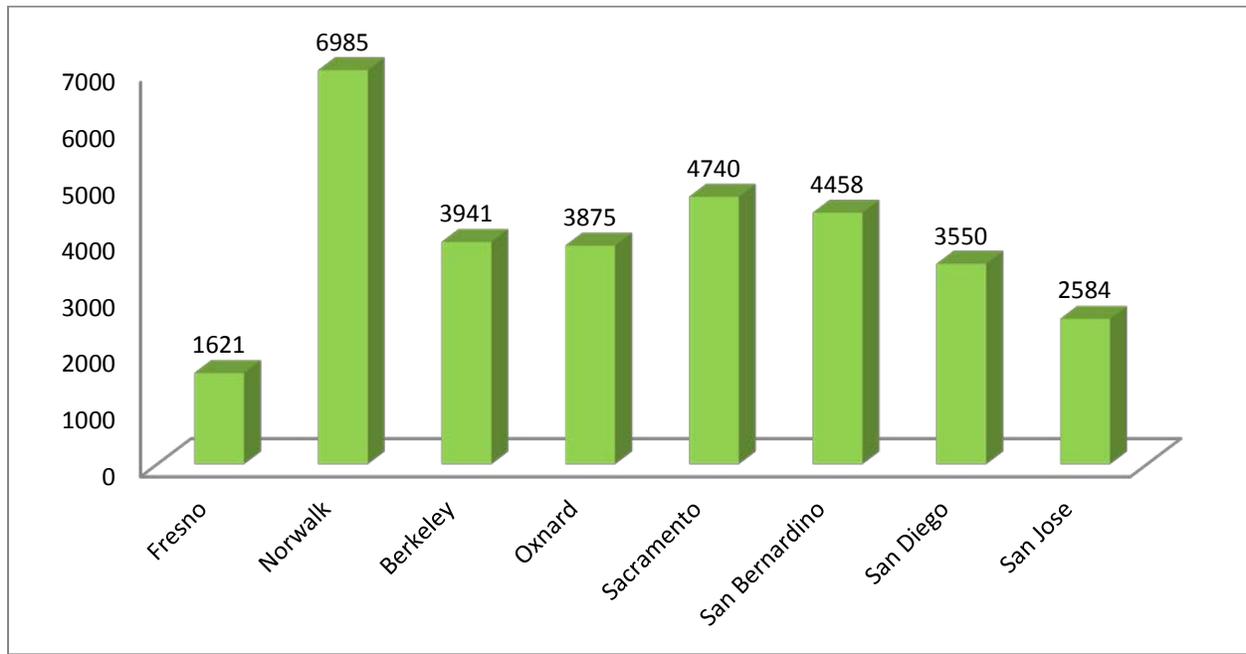
Test Center Status

CSLB maintains test centers in the following locations:

- Sacramento
- Berkeley
- San Jose
- Fresno
- Oxnard
- Norwalk
- San Bernardino
- San Diego



Number of Examinations Scheduled by Test Center May 2014 – April 2015



Spring Staff Meeting

EAU held its biannual staff meeting in Berkeley April 29-30, 2015, attended by senior CSLB and Testing division management. Speakers from the Department of Consumer Affairs and CalPERS provided informational workshops, and EAU staff gave presentations on security policies and procedures and customer service.

Examination Administration Staffing

EAU has two vacant Office Technician positions, one in Sacramento and one in San Jose.

EXAMINATION DEVELOPMENT UNIT (EDU)

The Testing division’s EDU ensures that CSLB’s 46 examinations are written, maintained, and updated in accordance with testing standards, guidelines, and CSLB regulations.



Occupational Analysis and Examination Development Workload

Valid licensure examinations involve two ongoing phases: occupational analysis and examination development. This cycle must be completed every five to seven years for each of CSLB’s examinations.

The occupational analysis phase determines what information is relevant to each contractor classification, and in what proportion it should be tested. The cycle starts with interviews of a sample of active California licensees statewide. EDU staff then conducts two workshops with these Subject Matter Experts, along with online surveys about job tasks and relevant knowledge. Paper surveys are also used, when necessary, to ensure a sufficient sample size of representative licensees. The end product is a validation report that includes an examination outline, which serves as a blueprint for constructing examination versions/forms.

The examination development phase involves numerous workshops to review and revise existing test questions, write and review new test questions, and determine the passing score for examinations from that point forward.

EDU released a new examination in May 2015: “A” General Engineering.

Occupational Analyses in Progress	New Examinations in Progress
C-8 Concrete	“B” General Building
C-17 Glazing	C-6 Cabinet, Millwork and Finish Carpentry
C-27 Landscaping	C-9 Drywall
C-31 Construction Zone Traffic Control	C-11 Elevator
C-33 Painting and Decorating	C-15 Flooring and Floor Covering
ASB Asbestos Certification	C-20 Warm-Air Heating, Ventilating and Air Conditioning
	C-23 Ornamental Metal
	C-29 Masonry
	C-43 Sheet Metal
	C-51 Structural Steel

Examination Development Unit Staffing

EDU has one Office Technician vacancy and is pursuing reclassification of its vacant Test Validation and Development Specialist position to a classification with a larger candidate pool. The Graduate Student Assistant position was recently filled. In addition, EDU is exploring hiring a retired annuitant to assist with the development of one examination program.



Because of staffing issues, EDU will temporarily streamline the examination process for some examination programs; however, examination validity will be maintained while instituting these efficiencies.

Ongoing Consumer Satisfaction Survey

EDU conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement division's handling of complaints related to eight customer service topics. The survey is emailed to all consumers with closed complaints who provide CSLB with their email address during the complaint process. Consumers receive the survey in the first or second month after their complaint is closed. To improve the survey's response rate, Testing incorporated a reminder email into the process so that non-responsive consumers now receive an email reminder one month after the initial request is sent.

TESTING DIVISION

Civil Service Examinations

In addition to licensure examinations, EDU develops, and EAU administers, examinations for civil service classifications that are used by CSLB. On April 14, 2015, EAU administered the Management Services Technician examination at four test centers, and on June 9 and 10, 2015, the Enforcement Representative I examination at five test centers.

AGENDA ITEM G-4

Discussion and Possible Action Regarding
Proposals for Satisfactory or Acceptable
Forms of Supporting Documentation for
Experience Pursuant to Title 16, California
Code of Regulations Section 824





CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, California 95827
 Mailing Address: P.O. Box 26000, Sacramento, CA 95826
 800-321-CSLB (2752)
 www.cslb.ca.gov • CheckTheLicenseFirst.com

STATE OF CALIFORNIA
 Governor Edmund G. Brown Jr.

ACCEPTABLE SUPPORTING EXPERIENCE DOCUMENTATION

Applicants for licensure with the Contractors State License Board (CSLB) must have had, within the last 10 years, a minimum of four (4) years of work experience as a journeyman, foreman, supervising employee, or contractor in the classification for which the applicant is applying. All claimed experience must be supportable by documentation satisfactory to CSLB, including as contained in the following list of acceptable experience documentation that may support an applicant’s claimed experience, as reported on a Certification of Work Experience.

TABLE OF ACCEPTABLE SUPPORTING EXPERIENCE DOCUMENTATION			
DOCUMENTATION	EMPLOYED BY A CONTRACTOR	NON-LICENSED SELF-EMPLOYMENT	OWNER-BUILDER (B – General Building classification only)
Wage or Tax Documentation and Paycheck Stubs <ul style="list-style-type: none"> Copies of applicant’s state or federal income tax forms showing income from construction activities (W-2 from an employer, 1099 from a contractor, Schedule C for self-employment, etc.) End-of-year paycheck stubs showing gross earnings and hourly/salary rates Wage transcripts can be obtained from the Internal Revenue Service at (800) 829-1040 	✓	✓ (tax documents only)	
Employer Contact Information <ul style="list-style-type: none"> To verify employment period and scope of work performed 	✓		
Duty Statement <ul style="list-style-type: none"> If employer had a specific duty statement outlining scope of work performed 	✓		
Out-of-State Proof of Employer’s Licensure <ul style="list-style-type: none"> Proof of employer’s out-of-state license status, classification, and personnel of record 	✓		

<p style="text-align: center;">DOCUMENTATION (continued)</p>	<p style="text-align: center;">EMPLOYED BY A CONTRACTOR</p>	<p style="text-align: center;">NON- LICENSED SELF- EMPLOYMENT</p>	<p style="text-align: center;">OWNER- BUILDER (B – General Building classification only)</p>
<p>Notarized Certification of Work Experience</p> <ul style="list-style-type: none"> • Notarized Certification of Work Experience written in or translated into English and notarized in the country of origin 	✓		
<p>Permits/Inspections</p> <ul style="list-style-type: none"> • Copies of city and/or county building permits, regardless of whether pulled by applicant or homeowner, including permit applications, permits, and final inspection reports • Accompanied by statement detailing the work the applicant performed • For homeowner permits, include applicant’s contract/invoice with a detailed scope of work • For B – General Building permits, reflect the square footage of the project and support work in structural framing/rough carpentry and at least two (2) additional unrelated trades – each job must include at least two (2) unrelated trades, other than framing/rough carpentry, but every job does not need to include framing/rough carpentry • Copies of permits for plumbing, electrical, roofing, etc. for specific classifications, as applicable 		✓	✓
<p>Contracts</p> <ul style="list-style-type: none"> • Copies of complete and signed contracts that have been entered into and performed, including client contact information, description of work performed, and project start and end dates • Accompanied by a statement indicating a reasonable estimate of the actual time spent to complete the project 		✓	

<p style="text-align: center;">DOCUMENTATION (continued)</p>	<p style="text-align: center;">EMPLOYED BY A CONTRACTOR</p>	<p style="text-align: center;">NON- LICENSED SELF- EMPLOYMENT</p>	<p style="text-align: center;">OWNER- BUILDER (B – General Building classification only)</p>
<p>Itemized Bills, Work Orders, and Invoices</p> <ul style="list-style-type: none"> • Similar to Contracts above, if documents relate to work performed in the classification for which applicant is applying 		✓	
<p>Canceled Checks</p> <ul style="list-style-type: none"> • Copies of both sides of canceled checks from jobs applicant has performed • Accompanied by a letter or Certification of Work Experience from person who paid the check describing work performed 		✓	
<p>Copies of Deeds and Proofs of Sale</p> <ul style="list-style-type: none"> • For work done on applicant's own properties • Accompanied by a statement detailing work done on the properties and dates of projects 			✓
<p>Material Receipts</p> <ul style="list-style-type: none"> • To support other documentation (including permits, contracts, invoices, canceled checks, etc.) • Accompanied by letters or Certifications of Work Experience from individuals for whom applicant performed the work and applied the materials 		✓	✓
<p>Education</p> <ul style="list-style-type: none"> • Sealed official transcripts for evaluation of college degrees/units in related construction trade • Transcripts for degree earned outside of the United States must be translated into English and evaluated by an accredited evaluation service that does business within the United States • Granted maximum of three (3) years of experience credit 	✓	✓	✓

<p style="text-align: center;">DOCUMENTATION (continued)</p>	<p style="text-align: center;">EMPLOYED BY A CONTRACTOR</p>	<p style="text-align: center;">NON- LICENSED SELF- EMPLOYMENT</p>	<p style="text-align: center;">OWNER- BUILDER (B – General Building classification only)</p>
<p>Apprenticeship Certificate of Completion</p> <ul style="list-style-type: none"> • Proof of formal apprenticeships in related construction trade, including those administered by unions and vocational or accredited schools • Granted maximum of three (3) years of experience credit 	✓	✓	✓
<p>Union Journeyman Book or Letter From Union Supporting Applicant’s Journey-Level Status</p> <ul style="list-style-type: none"> • Copies of hour printouts maintained by unions • To support applicant’s claimed experience, as reported on a Certification of Work Experience, and/or journey-level status 	✓	✓	✓
<p>Military Training:</p> <ul style="list-style-type: none"> • Copy of applicant’s DD214 or military discharge papers if applicant’s military training is related to the classification for which he/she is applying • Military service during a national emergency extends 10-year period in which experience is calculated • To obtain additional information on this and other military benefits for which applicant may qualify, please visit CSLB’s website at www.cslb.ca.gov or email VeteransInfo@cslb.ca.gov 	✓	✓	✓
<p>Electrician Certification:</p> <ul style="list-style-type: none"> • Copy of the Department of Industrial Relations Division of Apprenticeship Standards’ Certified Electrician card • To support applicant’s claimed C-10 journey-level status 	<p style="text-align: center;">✓</p> <p style="text-align: center;">(Employed by C-10 licensee only)</p>		

<p style="text-align: center;">DOCUMENTATION (continued)</p>	<p style="text-align: center;">EMPLOYED BY A CONTRACTOR</p>	<p style="text-align: center;">NON- LICENSED SELF- EMPLOYMENT</p>	<p style="text-align: center;">OWNER- BUILDER (B – General Building classification only)</p>
<p>Chlorofluorocarbon (CFC) Certification:</p> <ul style="list-style-type: none"> • Copy of either Type II or Universal CFC Certification, pursuant to Section 608 of the Clean Air Act of 1990 and as required by the Environmental Protection Agency (EPA) • To support applicant’s claimed C-20 or C-38 journey-level experience, as documented on a Certification of Work Experience 	<p>✓ (Employed by C-20 or C-38 licensee only)</p>		
<p>Work Experience and Division of Occupational Safety and Health (DOSH) Registration:</p> <ul style="list-style-type: none"> • Specific C-22 experience, exam waiver, and DOSH Registration requirements are contained in California Code of Regulations section 832.22 and 833 • Required to support applicant’s claimed C-22 journey-level experience, as documented on a Certification of Work Experience 	<p>✓ (Employed by C-22 or Asbestos Certification licensee only)</p>		

NOTE: Nothing in this document shall prohibit CSLB from requesting additional supporting experience documentation, as it deems necessary.

AGENDA ITEM H

Legislative



AGENDA ITEM H-1

Review and Possible Approval of April 27, 2015 Legislative Committee Meeting Summary Report





CONTRACTORS STATE LICENSE BOARD

LEGISLATIVE COMMITTEE SUMMARY REPORT

LEGISLATIVE COMMITTEE MEETING

April 27, 2015

Sacramento

A. CALL TO ORDER

Committee Chair Joan Hancock called the Contractors State License Board (CSLB) Legislative Committee to order at approximately 9:40 a.m. on Monday, April 27, 2015, in the John C. Hall Hearing Room at CSLB headquarters, 9821 Business Park Drive, Sacramento, CA, 95827.

Committee Members Present

Joan Hancock, Chair
Agustin Beltran
Linda Clifford
Paul Schifino
Nancy Springer

Board Members Present

Kevin Albanese
Susan Granzella
Bob Lamb
Ed Lang
Frank Schetter

CSLB Staff Present

Cindi Christenson, Registrar	Betsy Figueira, Licensing Manager
Cindy Kanemoto, Chief Deputy Registrar	Rick Lopes, Chief of Public Affairs
Laura Zuniga, Chief of Legislation	Melanie Bedwell, Public Affairs Staff
David Fogt, Chief of Enforcement	Ashley Caldwell, Public Affairs Staff
Karen Robinson, Chief of Licensing	Candis Cohen, Enforcement Staff
Christina Delp, Deputy Chief of Enforcement	Heather Young, Enforcement Staff
Kristy Schieldge, Staff Counsel	

Committee Chair Joan Hancock began with a moment of silence for the victims of the Nepal earthquake and then welcomed committee members and asked for introductions.

B. PUBLIC COMMENT SESSION

There was no public comment.



C. REVIEW, DISCUSSION AND POSSIBLE ACTION OF RECOMMENDED POSITION ON:

1. AB 500 (Waldron) – Committee Chair Joan Hancock presented the item to the committee as informational only and explained that it did not require a vote. Committee Member Paul Schifino noted his objections to the policy in the bill and also requested the inclusion of bill text in future committee packets. Committee Member Linda Clifford also expressed concerns with the policy. Chief of Legislation Laura Zuniga informed the committee that the bill would be heard in a Legislative policy committee the following week and that, if it passes, the bill will be brought before the full board for discussion.
2. AB 507 (Olsen) – Committee Chair Joan Hancock presented the item to the committee and asked Ms. Zuniga to provide additional background.
3. AB 750 (Low) – Committee Chair Joan Hancock presented the item to the committee and Ms. Zuniga summarized the most recent amendments, noting that legal counsel suggested additional amendments for committee approval. In response to Nancy Springer’s question about whether or not the board receives many requests for a retired license, Chief of Licensing Karen Robinson stated that CSLB does not, but that is likely because one is not offered. She expected that, if available, there would be interest. Linda Clifford suggested that the board support the bill. Paul Schifino requested a spreadsheet that highlights the differences between retired and inactive licenses.

Motion to Support AB 750 and Suggested Amendments

MOTION: A motion was made by Committee Member Linda Clifford and seconded by Committee Member Nancy Springer to support AB 750 and approve the suggested amendment. The motion carried unanimously, 5-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Agustin Beltran	X				
Linda Clifford	X				
Joan Hancock	X				
Paul Schifino	X				
Nancy Springer	X				

4. AB 1060 (Bonilla) – Committee Chair Joan Hancock presented the item to the committee. Paul Schifino asked what would happen if a licensee, for whom



CSLB has an address on file, stated that he/she did not receive the email notification. Ms. Zuniga responded that she would discuss the issue with the bill author’s staff.

- 5. AB 1208 (Frazier) – Ms. Zuniga explained that this item did not need to be presented to the committee, as it is currently not an active bill.
- 6. AB 1386 (Low) – Ms. Zuniga explained that this item did not need to be presented to the committee, as the bill has been amended to address an unrelated subject, outside the scope of Contractor’s State License Law.
- 7. SB 119 (Hill) – Committee Chair Joan Hancock presented this item to the committee and asked Chief of Enforcement David Fogt to summarize stakeholder discussions, which he did. Ms. Zuniga briefly discussed the California Underground Facilities Safe Excavation Authority proposed by the bill, and reported that the bill author is considering placing the new entity at the Contractors State License Board. She also noted that the bill is still a work in progress. Linda Clifford stated that she did not believe the board could comply with the training requirement for the cost estimated in the analysis.
- 8. SB 465 (Hill) – Committee Chair Joan Hancock presented this item to the committee and summarized the most recent amendments. Ms. Zuniga noted that the board previously voted to support the bill and requested that the committee support the amended bill.

Motion to Support SB 465 as Amended

MOTION: A motion was made by Committee Member Linda Clifford and seconded by Committee Member Agustin Beltran to support SB 465 as amended. The motion carried unanimously, 5-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Agustin Beltran	X				
Linda Clifford	X				
Joan Hancock	X				
Paul Schifino	X				
Nancy Springer	X				



- 9. SB 560 (Monning) – Committee Chair Joan Hancock presented this item to the committee. There is no significant change from the March 2015 board meeting update.
- 10. SB 561 (Monning) – Committee Chair Joan Hancock presented this item to the committee and summarized proposed amendments, which will clarify that a home improvement salesperson can register with CSLB prior to beginning employment with a contractor.

D. REVIEW AND DISCUSSION REGARDING LEGISLATIVE PROPOSAL TO AUTHORIZE SHARING OF LICENSEE INFORMATION WITH THE EMPLOYMENT DEVELOPMENT DEPARTMENT

Ms. Zuniga presented this item to the committee and reported no significant updates, as the Department of Consumer Affairs is considering a department-wide solution.

E. REVIEW, DISCUSSION AND POSSIBLE ACTION REGARDING 2015-16 LEGISLATIVE STRATEGIC PLAN OBJECTIVES

Ms. Zuniga presented this item to the committee and summarized each of the objectives. She also noted that SB 465 (Hill) includes objective #2 (preparing a legislative proposal to eliminate the capital requirement and increase the contractor's bond by a corresponding amount).

Motion to Approve 2015-16 Legislative Strategic Plan Objectives

MOTION: A motion was made by Committee Member Agustin Beltran and seconded by Committee Member Paul Schifino to approve the 2015-16 legislative strategic plan objectives. The motion carried unanimously, 5-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Agustin Beltran	X				
Linda Clifford	X				
Joan Hancock	X				
Paul Schifino	X				
Nancy Springer	X				



Committee Members Paul Schifino and Linda Clifford expressed their interest in amending Business & Professions Code section 7031 as a significant and outstanding issue, since it is inequitable and used to avoid payment to contractors. Committee Chair Joan Hancock suggested that the Board hold stakeholder meetings on this issue. Registrar Cindi Christenson and Ms. Zuniga explained why the board did not previously succeed when it sponsored legislation on this topic, and said that similar efforts would likely not succeed in the future. Committee Member Augie Beltran expressed his doubt that work by the committee on this issue would lead to substantive change. Legal Counsel Kristy Schieldge suggested that the committee or the board could organize a workgroup or conduct stakeholder meetings around this issue. Paul Schifino and Linda Clifford volunteered to work on the issue, though Augie Beltran raised concerns about two licensee board members forming a working group. Ms. Zuniga suggested that staff continue to discuss the issue with committee members and that, if necessary, the item be placed on the agenda for the next board meeting.

F. ADJOURNMENT

Legislative Committee Chair Joan Hancock adjourned the meeting at approximately 11:15 a.m.

AGENDA ITEM H-2

Legislative Program Update



AGENDA ITEM H-3

Review, Discussion and Possible Action
Regarding Positions on AB 507 (Olsen),
AB 750 (Low), AB 1060 (Bonilla),
SB 119 (Hill), SB 465 (Hill),
SB 560 (Monning), SB 561 (Monning),
SB 799 (Committee on Business,
Professions and Economic Development)



**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 507 (Olsen)
Status/Location: Amended 3/26/15 – Assembly Appropriations Committee
Sponsor: Author
Subject: BreEZe System: Annual Report
Code Section: Business & Professions §210.5

Summary:

This bill requires the Department of Consumer Affairs (DCA) to annually submit a report to the Legislature and the Department of Finance that contains all of the following:

1. DCA's plan, including a timeline, for implementing BreEZe for the Phase 3 boards.
2. Total estimated costs for Phase 3 implementation, and the results of any cost-benefit analysis DCA conducted for Phase 3 implementation.
3. A description of whether or not and to what extent BreEZe will achieve any operational efficiencies.

Background:

In 2009, DCA proposed the BreEZe information technology system to replace the antiquated legacy technology system used by most of DCA's boards. Intended to provide applicant tracking, licensing, renewal, enforcement monitoring, and cashiering support for all DCA boards, BreEZe was scheduled to be released in three phases. In 2013, the first phase was launched for 10 boards, and the second phase, for eight additional boards, is scheduled for release in March 2016.

Fiscal Impact for CSLB:

No cost to the Contractors State License Board (CSLB) for the required report, as it will be provided by DCA.

Staff Recommendation and Comments:

WATCH. CSLB is one of the 19 regulatory entities within DCA in Phase 3 of BreEZe implementation. Once Phase 2 is implemented, DCA will develop a plan and cost-benefit analysis of migrating the remaining Phase 3 entities onto the enterprise system. CSLB has not received a time estimate from DCA on the completion of this analysis. In February 2015, the State Auditor released an audit of the BreEZe System, which found that inadequate planning and oversight led to implementation of the system at a significantly higher cost than originally estimated and to a reduced number of boards. Among the Auditor's recommendations is the type of report required by this bill.

Date: April 14, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE □ 2015 □ 16 REGULAR SESSION

ASSEMBLY BILL

No. 507

**Introduced by Assembly Member Olsen
(Principal coauthor: Assembly Member Gray)**

February 23, 2015

An act to ~~amend~~ *add* Section ~~106~~ of 210.5 to the Business and Professions Code, relating to the Department of Consumer Affairs.

LEGISLATIVE COUNSEL'S DIGEST

AB 507, as amended, Olsen. Department of Consumer ~~Affairs~~.
Affairs: BreEZe system: annual report.

Existing law authorizes the Department of Consumer Affairs to enter into a contract with a vendor for the licensing and enforcement of the BreEZe system, which is a speci ed integrated, enterprisewide enforcement case management and licensing system, no sooner than 30 days after written noti cation to certain committees of the Legislature. Existing law requires the amount of contract funds for the system to be consistent with costs approved by the of ce of the State Chief Information Of cer, based on information provided by the department in a speci ed manner.

This bill would, on and after January 31, 2016, require the department to submit an annual report to the Legislature and the Department of Finance that includes, among other things, the department's plans for implementing the BreEZe system at speci ed regulatory entities included in the department's 3rd phase of the BreEZe implementation project, including, but not limited to, a timeline for the implementation.

~~Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer~~

AB 507

~~Affairs. Existing law authorizes the Governor to remove from office any member of any board within the department appointed by him or her for, among other things, unprofessional or dishonorable conduct.~~

~~This bill would make nonsubstantive changes to these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 210.5 is added to the Business and
2 Professions Code, immediately following Section 210, to read:
3 210.5. (a) On and after January 31, 2016, the department
4 shall submit an annual report to the Legislature and the
5 Department of Finance that includes all of the following:
6 (1) The department's plan for implementing the BreEZe system
7 at the regulatory entities in the department's third phase of the
8 implementation project, including, but not limited to, a timeline
9 for implementation.
10 (2) The total estimated costs of implementation of the BreEZe
11 system at the regulatory entities in the department's third phase
12 of the implementation project and the results of any cost-bene-
13 fit analysis the department conducted for the third phase of the
14 implementation project.
15 (3) A description of whether and to what extent the BreEZe
16 system will achieve any operational ef-
17 ficiencies resulting from
18 implementation by the boards and regulatory entities within the
19 department's jurisdiction.
20 (b) The report described in subdivision (a) shall be submitted
21 in compliance with Section 9795 of the Government Code.
22 (c) For purposes of this section, [the regulatory entities in the
23 department's third phase of the implementation project] includes
24 all of the following:
25 (1) Acupuncture Board.
26 (2) Board for Professional Engineers, Land Surveyors, and
27 Geologists.
28 (3) Bureau of Automotive Repair.
29 (4) Bureau of Electronic and Appliance Repair, Home
30 Furnishings, and Thermal Insulation.
31 (5) Bureau for Private Postsecondary Education.
31 (6) California Architects Board.

- 1 (7) *California Board of Accountancy.*
- 2 (8) *California State Board of Pharmacy.*
- 3 (9) *Cemetery and Funeral Bureau.*
- 4 (10) *Contractors' State License Board.*
- 5 (11) *Court Reporters Board of California.*
- 6 (12) *Landscape Architects Technical Committee.*
- 7 (13) *Professional Fiduciaries Bureau.*
- 8 (14) *Speech-Language Pathology and Audiology and Hearing*
- 9 *Aid Dispensers Board.*
- 10 (15) *State Athletic Commission.*
- 11 (16) *State Board of Chiropractic Examiners.*
- 12 (17) *State Board of Guide Dogs for the Blind.*
- 13 (18) *Structural Pest Control Board.*
- 14 (19) *Telephone Medical Advice Services Bureau.*

15 SECTION 1. Section 106 of the Business and Professions Code
16 is amended to read:

17 ~~106. The Governor has power to remove from office at any~~
18 ~~time, any member of any board appointed by him or her for~~
19 ~~continued neglect of duties required by law, for incompetence, or~~
20 ~~unprofessional or dishonorable conduct. This section shall not be~~
21 ~~construed as a limitation or restriction on the power of the~~
22 ~~Governor, conferred on him or her by any other law, to remove~~
23 ~~any member of any board.~~

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 750 (Low)
Status/Location: As Amended 4/16/15 – Assembly Appropriations Committee
Sponsor: Author
Subject: Business and Professions: Licenses
Code Section: Business & Professions §462

Summary:

Existing law authorizes all boards to establish an inactive license category.

This bill:

1. Authorizes a board within the Department of Consumer Affairs (DCA) to establish a retired license category.
2. Provides that a regulation to establish a retired license shall include:
 - a. That the holder of the retired license shall not engage in any activity that requires an active license, unless the regulation specifies criteria by which a retired licensee can practice.
 - b. That the holder shall not be required to renew that license.
3. In order to restore a retired license to an active license, the individual must do all of the following:
 - a. Pay a fee;
 - b. Certify, in a manner satisfactory to the board, that he/she has not committed an act or crime constituting grounds for denial of licensure;
 - c. Comply with fingerprint requirements;
 - d. Complete continuing education, if applicable; and
 - e. Complete any other requirements as specified by regulation.
4. Provides that a board may, and upon receipt of a complaint shall, investigate the actions of any licensee, including a holder of a retired, inactive, cancelled, suspended, or revoked license.

Comments:

Contractors State License Law, under which the Contractors State License Board (CSLB) also operates, contains a provision with specific requirements for its inactive license category. In order for CSLB to create a retired license category, pursuant to this bill's authorization, it would need to adopt new regulations.

INACTIVE (Existing Inactive License)	RETIRED (Authorized under AB 750)
Inactive license holder cannot practice/work as a contractor	Retired license holder cannot practice, unless board specifies criteria by which a retired licensee can do so

Initial inactive license fee is \$180 – valid for four years	No authority to assess a fee, and specifies that retired license does not need to be renewed
Renewal of inactive license is \$180	Renewal shall not be required
Reactivation of license requires full renewal fee (\$360) and satisfaction of any pertinent requirements (fingerprinting)	Retired license holder will pay fee to reactivate, as required by the board, and must certify that he/she has not committed any crimes constituting grounds for denial of a license; comply with fingerprint requirement; complete any other requirements specified by the board

Suggested Amendment:

Legal Counsel suggests the following amendment:

The board shall deny an applicant's application to place a license in a retired status if the license is subject to an outstanding order of the board, is suspended, revoked, or otherwise punitively restricted by the board, or is subject to disciplinary action under this chapter.

Fiscal Impact for CSLB:

No impact.

Legislative Committee Recommendation and Comments:

SUPPORT. This bill does not impose a new requirement on CSLB, it merely provides authority to create a retired license category. CSLB could determine whether or not to exercise this authority, and it may be something that CSLB would like to offer for the benefit of licensees.

Date: May 28, 2015

AMENDED IN ASSEMBLY APRIL 16, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE □ 2015 □ 16 REGULAR SESSION

ASSEMBLY BILL

No. 750

Introduced by Assembly Member Low

February 25, 2015

An act to add Section 463 to the Business and Professions Code, relating to business and professions.

LEGISLATIVE COUNSEL'S DIGEST

AB 750, as amended, Low. Business and professions: retired category: licenses.

Existing law provides for numerous boards, bureaus, commissions, or programs within the Department of Consumer Affairs that administer the licensing and regulation of various businesses and professions. Existing law authorizes any of the boards, bureaus, commissions, or programs within the department, except as specified, to establish by regulation a system for an inactive category of license for persons who are not actively engaged in the practice of their profession or vocation. Under existing law, the holder of an inactive license is prohibited from engaging in any activity for which a license is required. Existing law defines "board" for these purposes to include, unless expressly provided otherwise, a bureau, commission, committee, department, division, examining committee, program, and agency.

This bill would additionally authorize any of the boards, bureaus, commissions, or programs within the department to establish by regulation a system for a retired category of license for persons who are not actively engaged in the practice of their profession or vocation,

AB 750

and would prohibit the holder of a retired license from engaging in any activity for which a license is required, unless regulation specifies the criteria for a retired licensee to practice his or her profession. The bill would authorize a board upon its own determination, and would require a board upon receipt of a complaint from any person, to investigate the actions of any licensee, including, among others, a person with a license that is retired or inactive.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 463 is added to the Business and
2 Professions Code, to read:
3 463. (a) Any of the boards, bureaus, commissions, or programs
4 within the department may establish, by regulation, a system for
5 a retired category of licensure for persons who are not actively
6 engaged in the practice of their profession or vocation.
7 (b) The regulation shall contain the following:
8 (1) The holder of a retired license issued pursuant to this section
9 shall not engage in any activity for which a license is required,
10 unless the board, by regulation, specifies the criteria for a retired
11 licensee to practice his or her profession or vocation.
12 (2) The holder of a retired license shall not be required to renew
13 that license.
14 (3) In order for the holder of a retired license issued pursuant
15 to this section to restore his or her license to an active status, the
16 holder of that license shall meet all the following:
17 (A) Pay a fee established by regulation.
18 (B) ~~Not have~~ *Certify, in a manner satisfactory to the board, that*
19 *he or she has not* committed an act or crime constituting grounds
20 for denial of licensure.
21 (C) Comply with the fingerprint submission requirements
22 established by regulation.
23 (D) If the board requires completion of continuing education
24 for renewal of an active license, complete continuing education
25 equivalent to that required for renewal of an active license, unless
26 a different requirement is specified by the board.
27 (E) Complete any other requirements as specified by the board
28 by regulation.

AB 750

1 (c) A board may upon its own determination, and shall upon
2 receipt of a complaint from any person, investigate the actions of
3 any licensee, including a person with a license that either restricts
4 or prohibits the practice of that person in his or her profession or
5 vocation, including, but not limited to, a license that is retired,
6 inactive, canceled, revoked, or suspended.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1060 (Bonilla)
Status/Location: Amended 3/26/15 – Senate Business, Professions and Economic Development Committee
Sponsor: Author
Subject: Professions and Vocations
Code Section: Business & Professions §491

Summary:

Existing law requires all boards within the Department of Consumer Affairs (DCA) to send a copy of the criteria for rehabilitation, as well as a copy of the statute that authorizes applying for reinstatement, to an individual whose license has been suspended or revoked.

This bill specifies that this requirement shall be satisfied through first-class mail and electronic means, if the board has an email address on file for the ex-licensee.

Comments:

At the April 27, 2015, Legislative Committee meeting, one member expressed concern that a licensee, who does have an email address on file, could challenge a board action by stating that he or she did not receive the email notification. Staff will discuss this with the bill author's office.

Fiscal Impact for CSLB:

Minor and absorbable.

Staff Recommendation and Comments:

WATCH. This bill makes a change to the general provisions of the Business and Professions Code. The Contractors State License Board (CSLB) currently satisfies this requirement by sending the information by certified and first-class mail. CSLB does not have an email address on file for each licensee, so could not always satisfy this requirement by electronic means.

Date: May 28, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE □ 2015 □ 16 REGULAR SESSION

ASSEMBLY BILL

No. 1060

Introduced by Assembly Member Bonilla

February 26, 2015

An act to amend Section 491 of the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

AB 1060, as amended, Bonilla. Professions and vocations: licensure.

Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. Existing law authorizes a board to suspend or revoke a license on the ground that the licensee has been convicted of a crime, if the crime is substantially related to the qualifications, functions, or duties of the business or profession for which the license was issued. Existing law requires the board, upon suspension or revocation of a license, to provide the ex-licensee with certain information pertaining to rehabilitation, reinstatement, or reduction of penalty, as specified.

This bill would ~~authorize~~ *require* the board to provide that information through first-class mail and by ~~electronic means~~: *email if the board has an email address on file for the ex-licensee.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 491 of the Business and Professions Code
- 2 is amended to read:

AB 1060

1 491. (a) Upon suspension or revocation of a license by a board
2 on one or more of the grounds specif ed in Section 490, the board
3 shall:
4 (1) Send a copy of the provisions of Section 11522 of the
5 Government Code to the ex-licensee.
6 (2) Send a copy of the criteria relating to rehabilitation
7 formulated under Section 482 to the ex-licensee.
8 (b) Subdivision (a) ~~may~~ *shall* be satisf ed through frst-class
9 mail and by ~~electronic means~~. *email if the board has an email*
10 *address on file for the ex-licensee.*

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 119 (Hill)
Status/Location: Amended 5/12/15 – Senate Floor
Sponsor: Author
Subject: Protection of Subsurface Installations
Code Section: Business & Professions §7110.7

Summary:

Existing Law:

1. Requires that every operator of a subsurface installation (except CalTrans) become a member of, participate in, and fund a regional notification center.
2. Requires a person planning any excavation to contact the appropriate notification center before work begins.
3. Provides that a willful or deliberate violation of the regional notification system requirements by a licensee of the Contractors State License Board (CSLB) constitutes a cause for disciplinary action by CSLB.

This Bill:

1. Contains several findings and declarations of the Legislature regarding the need for increased communication between subsurface installation operators and excavators, and states that exemptions allowing excavation without first calling a regional notification center should not be permitted based on convenience, but only if procedures exist so that the excavation occurs without compromising safety.
2. The findings further state that the existing exemption that permits private property owners to dig on their own property without notification does not have a basis in safety.
3. Requires that CSLB adopt a program to enforce violations of the notification requirement.
4. Provides that, following an initial violation of the notification requirement, CSLB shall require contractors to undergo training related to compliance with the requirement.
5. Provides that if a contractor does not attend training within 30 days of being notified of the need to do so, he or she shall be subject to further disciplinary action.
6. Provides that a subsequent violation within one calendar year of the first, failure to attend training, or failure to pay fines may result in suspension of the contractor's license.
7. Requires CSLB to determine a graduated scale of fines, consistent with existing law.

8. Makes various revisions to the Regional Notification Center System, including the definitions of relevant terms.
9. Deletes Caltrans' exemption from the notification system requirements.
10. Provides that an excavator who damages a subsurface installation because of inaccurate marking shall not be liable for damages.
11. Limits the existing exemption for property owners to, instead, provide the exemption only when the work does not require a permit, the property has no easement or right of way, and the work involves only non-mechanized hand tools.
12. Revises the existing definition of "excavation" to include penetration of the air and the existing surface of the ground or pavement.
13. Exempts from the definition of "excavation," until January 1, 2020, landscape maintenance activity performed with hand tools at a depth of no more than 12 inches.
14. Requires the Occupational Safety and Health Standards Board to revise its regulations to clarify best practices by excavators.
15. Creates the California Underground Facilities Safe Excavation Authority (Authority).
16. Provides that the Authority shall have nine members, including two excavators.

Future Amendments:

A stakeholder group has been meeting on this issue since December 2014. The bill author's office established subcommittees, and tasked the Enforcement subcommittee with developing a framework to deal with enforcement and liability. Because that subcommittee did not present a proposal, Senator Hill outlined his own proposal, which would:

- Create the Underground Facility Safe Excavation Authority (Authority), which would exist under the purview of CSLB and be staffed by CSLB employees.
- Determine that the Authority would have nine members – appointed by the Governor and the Legislature.
- Delineate that the Authority have three purposes – coordinate education and outreach; develop and recommend standards; investigate complaints on violations of the one-call law.
- Stipulate that funds for the Authority be allocated by the California Public Utilities Commission from the newly created Safe Infrastructure and Excavation Fund.

Fiscal Impact for CSLB:

- Enforcement Staff (initial & ongoing) – Existing staff cannot absorb this work. Staff would need to perform the following tasks: send excavation violators training requirements and instructions; receive training certification from violators; levy fines against violators; and take disciplinary action against the most egregious violators and those that fail to complete training within required timeframe. Work would be performed full-time by an Enforcement Representative II (ERII). Total cost with benefits (assumed at 42 percent) would be \$90,764 (2,080 hours x \$30.73/hour x 1.42 benefits rate).

CSLB initial and ongoing costs would be approximately \$90,764.

- Attorney General's Costs – CSLB anticipates an increase in the number of cases referred to the Attorney General's Office to investigate and prosecute the most egregious violators. The Board estimates referring an additional 50 cases per year, at an average cost of \$5,000 per case. Total Attorney General's Costs would be approximately \$250,000.

As Proposed to be Amended:

What follows is a rough estimate, based on the available outline and information from the author's office. Staff will refine when bill language is available.

- *Create the Underground Facility Safe Excavation Advisory Committee. The advisory committee shall exist under the purview of the Contractor's State License Board, and shall be staffed by CSLB employees.* This new workload would require the creation of a new unit within CSLB. If CSLB modeled its approach on other states (i.e., VA & MD) and organized the workload around a complaint-driven process, at a minimum and based on California's size, CSLB would need the following staff: 1 Enforcement Supervisor I (ESI), 10 Enforcement Representatives (ER), 1 Associate Governmental Program Analyst (AGPA), and 1 Office Technician (OT). Total annual direct and indirect costs, with benefits, would be approximately \$1,750,000.
- *Board composed of seven members, which include Gov appointees (3 utilities, of which one muni, 1 non-utility locator, 1 one-call center), CSLB appointees (non-utility contractors), Speaker (labor), and Senate Rules (landowner).* CSLB assumes that Board Members would meet approximately five times a year, plus an annual stakeholders meeting. Total annual costs for Board Members (including \$100 a day, plus per diem and travel per board member) would be approximately \$30,000.
- Total approximate annual costs (initial and ongoing): \$1.8 million. Additionally, there would be an unknown yet significant increased cost for the services of the Attorney General's Office because of an increase in cases referred for formal disciplinary action.

Board Position and Comments:

WATCH. The author has worked on this issue for the last few years, and in that time different members of the Legislature have introduced a number of bills. Overall, CSLB already fulfills the requirements of this bill as it is currently drafted. CSLB has an existing program to enforce violations of the dig alert requirements, handled under Business and Professions Code section 7110, which provides that a willful or deliberate violation of the excavation requirements constitutes a cause for disciplinary action.

The author's office has conducted a series of stakeholder meetings on this issue, which continue. CSLB has participated, along with numerous contractor groups, utilities, and other interested parties and significant amendments are anticipated as a result of these meetings, and are described earlier in the analysis.

Excavation work is regulated by CSLB's existing C-12 Earthwork and Paving classification, and excavation safety and regional notification requirements are covered on all relevant CSLB licensing examinations (27 of the 45 exams), including the Law and Business examination.

Legislative History:

AB 811 (Lowenthal, Chapter 250, Statutes of 2013) required that regional notification centers compile an annual report. When introduced, the bill would have required licensed contractors to pass an additional certification exam in order to legally perform excavations, though those provisions were amended out of the bill.

AB 1514 (Lowenthal, 2012) would have increased the penalties for a violation of the notification requirements.

Date: May 27, 2015

AMENDED IN SENATE MAY 12, 2015

AMENDED IN SENATE MAY 5, 2015

AMENDED IN SENATE APRIL 20, 2015

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 119

Introduced by Senator Hill

January 14, 2015

An act to add Section 7110.7 to the Business and Professions Code, to amend Sections 4216, 4216.1, 4216.2, 4216.3, 4216.4, 4216.5, 4216.6, 4216.7, 4216.8, and 4216.9 of, and to add Sections 4216.10, 4216.11, 4216.12, 4216.13, 4216.14, 4216.15, 4216.16, 4216.17, 4216.18, 4216.19, 4216.20, ~~and 4216.21~~ 4216.21, and 4216.22 to, the Government Code, and to amend Section 1702.5 of, and to add ~~Section 320.5~~ Sections 320.5 and 971 to, the Public Utilities Code, relating to excavations.

LEGISLATIVE COUNSEL'S DIGEST

SB 119, as amended, Hill. Protection of subsurface installations.

Existing law vests the Contractors' State License Board with all functions and duties relating to the administration of the Contractors' State License Law. Existing law authorizes the issuance of licenses to applicants for contractors' licenses by written examination under rules and regulations adopted by the board.

This bill would require the board to adopt a program to enforce violations of provisions relating to excavation. The bill would authorize the board to require a contractor to undergo training, levy a fine, and suspend a contractor's license for a violation.

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Existing law requires every operator of a subsurface installation, except the Department of Transportation, to become a member of, participate in, and share in the costs of, a regional notification center. Existing law requires any person who plans to conduct any excavation to contact the appropriate regional notification center before commencing that excavation, as specified. Existing law defines a subsurface installation as any underground pipeline, conduit, duct, wire, or other structure. Existing law requires an operator of a subsurface installation, who receives notification of proposed excavation work, within 2 working days of that notification, excluding weekends and holidays, to mark the approximate location and number of subsurface installations that may be affected by the excavation or to advise that no subsurface installations operated by him or her would be affected. Existing law requires an operator of a subsurface installation that has failed to comply with these provisions to be liable to the excavator for damages, costs, and expenses.

This bill would declare the need to clarify and revise these provisions. The bill would define and redefine various terms relating to a regional notification center. The bill would expand the definition of a subsurface installation, to include an underground structure or submerged duct, pipeline, or structure, except as specified. This bill would also delete the exception for the Department of Transportation.

The bill would require an excavator planning to conduct an excavation to delineate the area to be excavated before notifying the appropriate regional notification center of the planned excavation, as provided. The bill would require an operator, before the legal start date and time of the excavation, to locate and field mark, within the area delineated for excavation, its subsurface installations. The bill would require an operator to maintain and preserve all plans and records for any subsurface installation owned by that operator as that information becomes known, as specified.

This bill would prohibit an excavator that damages a subsurface installation due to an inaccurate field mark, as defined, by an operator from being liable for damages, replacement costs, or other expenses arising from damage to the subsurface installation, provided that the excavator complied with the provisions described above. The bill would also authorize, in any action for reimbursement or indemnification for a claim arising from damage to a subsurface installation in which a court finds that the excavator complied with those provisions, the excavator to be awarded reasonable attorneys' fees and expenses.

The bill would delete the existing exemptions pertaining to an owner of real property and would instead exempt an owner of residential real property who only uses hand tools for excavation work not requiring a permit on his or her residential real property that has no easement or right-of-way for a subsurface installation.

The bill would require the operator of a high-priority subsurface installation to make specified notifications to a landowner if agricultural activities cannot safely be performed due to the depth of the subsurface installations and to mark the location and depth of those installations, as specified.

Existing law authorizes the Occupational Safety and Health Standards Board to adopt and to publish occupational safety and health standards.

This bill would require the board, on or before January 1, 2017, to revise these provisions to clarify best practices to be used by excavators when excavating near subsurface installations. The bill would also require the board to convene an advisory committee hearing to seek input from operators, regional notification centers, labor, and excavators on best practices to be used for excavating in urban areas, the appropriate frequency of potholing, and other best practices developed by various industry associations.

The bill would also authorize the Public Utilities Commission and the Office of the State Fire Marshal to enforce the requirement to locate and field mark subsurface installations and lines against operators of natural gas and electric underground infrastructure and hazardous liquid pipelines, unless these operators are municipal utilities.

This bill would create the California Underground Facilities Safe Excavation Authority. The bill would require the authority to enforce laws relating to the protection of underground infrastructure by hearing complaints and assessing civil penalties for violations of these provisions.

The authority would be composed of 9 members who would serve 2-year terms. The bill would authorize the authority to use compliance audits and investigations in enforcing these provisions and furthering its purposes. The bill would require the authority, on or before January 1, 2017, and each year thereafter, to report to the Governor and the Legislature on its activities and any recommendations.

The bill would create the Safe Energy Infrastructure and Excavation Fund in the State Treasury and would provide that moneys deposited into the fund are to be used to cover the administrative expenses of the authority, upon appropriation by the Legislature. The bill would

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authorize the commission to use excess moneys in the fund for specified purposes relating to the safety of underground utilities, upon appropriation by the Legislature.

The Natural Gas Pipeline Safety Act of 2011, within the Public Utilities Act, designates the Public Utilities Commission as the state authority responsible for regulating and enforcing intrastate gas pipeline transportation and pipeline facilities pursuant to federal law, including the development, submission, and administration of a state pipeline safety program certification for natural gas. Existing federal law requires each operator of a buried gas pipeline to carry out a program to prevent damage to that pipeline from excavation activities, as specified.

The bill would require each gas corporation, as part of its damage prevention program to collect specified information to inform its outreach activities and to report this information to the Public Utilities Commission, as specified.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the requirements described above are within the act, a violation of these requirements would impose a state-mandated local program by creating a new crime.

Existing law requires the Public Utilities Commission to develop and implement a safety enforcement program that is applicable to gas corporations and electrical corporations and that includes procedures for monitoring, data tracking and analysis, and investigations, as well as issuance of citations by commission staff, under the direction of the executive director of the commission, for correction and punishment of safety violations. That law requires the commission to develop and implement an appeals process to govern issuance and appeal of citations, or resolution of corrective action orders. That law requires the commission to implement the safety enforcement program for gas safety by July 1, 2014, and for electrical safety by January 1, 2015.

This bill would require that moneys collected as a result of the issuance of citations to gas corporations and electrical corporations pursuant to the above-described law be deposited in the Safe Energy Infrastructure and Excavation Fund.

The bill would make other conforming changes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature enacts and declares the following:

2 (a) Discussions that have taken place since Article 2
3 (commencing with Section 4216) of Chapter 3.1 of Division 5 of
4 Title 1 of the Government Code was added by Chapter 928 of the
5 Statutes of 1989 have led to widespread agreement that many of
6 the provisions of the article should be clarified.

7 (b) Regional notification centers, or "one-call" centers, have
8 developed means of electronic communication that improve the
9 efficiency of the "one-call" process, and statutory barriers to using
10 new methods of notification should be eliminated.

11 (c) Electronic positive response is a means to communicate the
12 status of responses to an excavator's notice of excavation via the
13 one-call center and provides the safety benefit that an excavator
14 has an easy means to know whether or not all of the utilities within
15 the excavation area have marked their underground facilities.

16 (d) The delineation by an excavator of the area to be excavated
17 in advance of the field location and marking by subsurface facility
18 operators of their facilities aids the excavator in understanding
19 where underground facilities were marked, and thus improves
20 safety. This practice was recommended by the National
21 Transportation Safety Board in its 1997 study "Protecting Public
22 Safety through Excavation Damage Prevention" and is a best
23 practice of the Common Ground Alliance.

24 (e) Continuing an excavation after an excavation "ticket" has
25 expired does not promote safety, and excavators should renew
26 their ticket with the one-call center before expiration. Continuing
27 excavation when markings are no longer visible does not promote
28 safety, and excavators should stop work until the subsurface
29 installations are remarked.

30 (f) The benefits of eliminating old field marks once an
31 excavation project is complete are more than just aesthetic;

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1 eliminating old field marks helps prevent confusion for the next
2 excavator to dig in that area.

3 (g) Increased communication between subsurface installation
4 operators and excavators before breaking ground has safety
5 benefits.

6 (h) Construction sites often have many parties conducting
7 different, ongoing work, and so the inherent safety risks associated
8 with that work can be increased by a failure of these parties to
9 effectively communicate. Excavators, operators of subsurface
10 facilities, and locators have a responsibility to communicate with
11 other parties before entering these worksites, which may require
12 advance schedule coordination, and also have a responsibility to
13 observe the safety requirements set for those worksites.

14 (i) Abandoned subsurface installations can be mistaken for
15 active subsurface installations that are marked, and thus present a
16 safety risk to excavators and the public. Safety will be improved
17 if subsurface facility operators identify these subsurface
18 installations when their existence is known.

19 (j) The ability of an operator of subsurface facilities to locate
20 and mark affected facilities can be seriously impaired by a lack of
21 high-quality records of those facilities, and thus operators should
22 keep records of their facilities for as long as they are in the ground,
23 whether or not they are in use.

24 (k) Failure by an operator of subsurface facilities to mark the
25 facilities within the required two-working-day period is a serious
26 breach of duty.

27 (l) While a utility operator has two working days after an
28 excavator's call to the one-call center to mark its underground
29 facilities, failure of that utility to do so does not relieve the
30 excavator of the safety responsibility to wait until the utility
31 operator has marked before commencing excavation.

32 (m) Mismarks by an operator place excavators and the public
33 at great safety risk, and so operators who mismark their facilities
34 are entitled to no award for any damages to those facilities.

35 (n) Facilities that are embedded in pavement require more
36 extensive communication to prevent them from being damaged.
37 ~~Excavators should not be liable for damage to traffic loops.~~

38 (o) Exemptions that allow a class of persons to excavate without
39 calling 811 shall be made not based on convenience, but rather

1 permitted only if alternative procedures allow the excavation to
 2 take place without compromising safety.

3 (p) The exemption that permits the Department of Transportation
 4 not to submit its maps to the regional notification center and not
 5 to mark its underground facilities within 48 hours does not have
 6 a basis in safety.

7 (q) *Agricultural activities of less than 16 inches are not*
 8 *excavations, and high-priority subsurface natural gas and*
 9 *hazardous liquid pipeline installations are identified in rural areas*
 10 *with above-ground markers pursuant to Section 192.707 of Part*
 11 *192 and Section 195.410 of Part 195 of Title 49 of the Code of*
 12 *Federal Regulations, respectively, so the management of safety*
 13 *around underground facilities in agricultural operations must be*
 14 *different.*

15 (r) *Prevention of boring through sewer laterals with natural*
 16 *gas and other subsurface installation services may be achieved*
 17 *through reasonable care in the use of trenchless excavating*
 18 *technologies. Indication of the location of sewer laterals can aid*
 19 *in prevention of these cross-bores.*

20 ~~(q)~~

21 (s) The exemption that permits private property owners to dig
 22 on their property without calling a regional notification center to
 23 have the area marked for underground facilities does not have a
 24 basis in safety.

25 ~~(r)~~

26 (t) The exemption that permits homeowners to conduct
 27 excavation on their property with heavy machinery or when there
 28 is a utility easement on his or her property does not have a basis
 29 in safety.

30 ~~(s)~~

31 (u) Behaviors that are suspected to be unsafe, but upon which
 32 there is not widespread agreement as to the level of risk and,
 33 therefore, are unregulated, must be monitored to better assess the
 34 risk.

35 (v) *The Study on the Impact of Excavation Damage on Pipeline*
 36 *Safety, submitted by the United States Department of*
 37 *Transportation to Congress on October 9, 2014, reported that*
 38 *other states have found that exemption of landscape maintenance*
 39 *activities of less than 12 inches deep, when performed with hand*
 40 *tools, do not appear to have a significant impact on safety. The*

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1 *report cautions, however, that while those activity-based*
2 *exemptions may be acceptable, they should be supported by*
3 *sufficient data.*

4 ~~(t)~~

5 (w) Clari@cation is needed for excavators to understand best
6 excavation practices, and this could be accomplished through
7 clari@cation of the regulations on excavation by the Occupational
8 Safety and Health Standards Board.

9 ~~(u)~~

10 (x) Other states have experienced a dramatic improvement in
11 safety after implementing centralized administrative enforcement
12 of one-call laws.

13 ~~(v)~~

14 (y) California should have a board, composed of excavation
15 stakeholders, subject to oversight by the Legislature and the
16 Department of Finance, to enforce the state's safe excavation laws
17 through @eld audits, incident investigations, and administrative
18 hearings, and to promote safe excavation practices. Due to the size
19 of the state, and in order to reduce costs, the board should meet in
20 northern and southern California.

21 ~~(w)~~

22 (z) The board should not be funded through the General Fund,
23 but should be funded by the community that will most directly
24 bene@t from the enforcement of the state's safe excavation laws,
25 including the participants in the state's regional noti@cation centers,
26 and the board should also be funded by the @nes it levies, instead
27 of having those @nes go to the General Fund.

28 ~~(x)~~

29 (aa) After a hearing before the board pursuant to the
30 Administrative Procedures Act, a person found to be in violation
31 of the state's safe excavation laws could meet a variety of sanctions
32 including a @ne not exceeding a speci@ed amount and the
33 requirement to undergo relevant education.

34 ~~(y)~~

35 (ab) To preserve due process, the superior court should be
36 available to an aggrieved party as a forum in which to challenge
37 a board decision.

38 ~~(z)~~

39 (ac) Most persons who would be subject to the board's oversight
40 are also subject to the oversight of other enforcement agencies,

1 and those agencies should also take steps to reduce the safety risks
 2 posed by violations of the state's safe excavation laws.

3 SEC. 2. Section 7110.7 is added to the Business and Professions
 4 Code, to read:

5 7110.7. (a) The Contractors' State License Board shall adopt
 6 a program to enforce violations of ~~paragraph (1)~~ by contractors
 7 of subdivision (a) of Section 4216.2 of the Government Code.

8 (b) The Contractors' State License Board shall require
 9 contractors to undergo ~~training~~ a training program relating to
 10 compliance with ~~paragraph (1)~~ of subdivision (a) of Section 4216.2
 11 of the Government Code, as determined by the board, for an initial
 12 violation. *The training program shall be conducted by a regional*
 13 *notification center, as defined in Section 4216 of the Government*
 14 *Code, or by a training program approved by a regional notification*
 15 *center.*

16 (c) If the contractor does not attend training within two months
 17 submit evidence of completion of a training program within 30
 18 days of being notified of the requirement to do so, or fails to
 19 provide a reasonable explanation for his or her delay in scheduling
 20 that training in writing, the board shall, in addition, levy a fine.
 21 *contractor shall be subject to further disciplinary action.*

22 (d) A subsequent violation within one calendar year of the first
 23 violation, failure to attend training, or failure to pay fines ultimately
 24 may result in suspension of the contractor's license.

25 (e) The board shall determine a graduated scale of fines
 26 considering the following factors: *consistent with Section 7099.2.*

27 (1) ~~Whether the regional notification center received a timely~~
 28 ~~request for locate and field mark.~~

29 (2) ~~The gravity of the violation.~~

30 (3) ~~The good faith of the contractor.~~

31 (4) ~~The contractor's history of previous violations.~~

32 SEC. 3. Section 4216 of the Government Code is amended to
 33 read:

34 4216. As used in this article the following definitions apply:

35 (a) "Abandoned subsurface installation" means a subsurface
 36 installation that is no longer in service and is physically
 37 disconnected from any active or inactive subsurface installation.

38 (b) "Active subsurface installation" means a subsurface
 39 installation currently in use or currently carrying service.

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1 (c) ^aAuthority^o means the California Underground Facilities
2 Safe Excavation Authority.

3 (d) ^aDelineate^o means to mark in white ~~paint~~ the location or
4 path of the proposed excavation using the guidelines in Appendix
5 B of the ^aGuidelines for Excavation Delineation^o published in
6 Best Practices Version 11.0 by the Common Ground Alliance. If
7 there is a conflict between the marking practices in those guidelines
8 and other provisions of this article, this article shall control.
9 *[Delineation] also includes physical identification of the area to*
10 *be excavated using pink marking, an excavator makes a*
11 *determination that standard delineation may be misleading to*
12 *those persons using affected streets and highways, or be*
13 *misinterpreted as a traffic or pedestrian control, and the excavator*
14 *has contacted the regional notification center to advise the*
15 *operators that the excavator will physically identify the area to be*
16 *excavated using pink markings.*

17 (e) ^aElectronic positive response^o means an electronic response
18 from an operator to the regional notification center providing the
19 status of an operator's statutorily required response to a ticket.

20 (f) (1) ^aEmergency^o means a sudden, unexpected occurrence,
21 involving a clear and imminent danger, demanding immediate
22 action to prevent or mitigate loss of, or damage to, life, health,
23 property, or essential public services.

24 (2) ^aUnexpected occurrence^o includes, but is not limited to, a
25 fire, flood, earthquake or other soil or geologic movement, riot,
26 accident, damage to a subsurface installation requiring immediate
27 repair, or sabotage.

28 (g) (1) ^aExcavation^o means penetration of the plane between
29 the air and the existing surface of the ground or pavement by any
30 operation in which earth, rock, *pavement*, or other material *below*
31 *the existing grade* is moved, removed, or otherwise displaced by
32 means of tools, equipment, or explosives in any of the following
33 ways: grading, trenching, digging, ditching, drilling, augering,
34 tunneling, scraping, cable or pipe plowing and driving, gouging,
35 crushing, jack hammering, saw cutting, or any other way.

36 (2) *For purposes of this article, [excavation] does not include*
37 *any of the following:*

38 (A) *Plowing, cultivating, planting, harvesting, or similar*
39 *operations in connection with agricultural activities, unless the*
40 *activity disturbs the soil to a depth of 16 inches or more.*

1 (B) Landscape maintenance activity that is performed with hand
 2 tools at a depth of more than 12 inches. Landscape maintenance
 3 activity includes all of the following:

4 (i) Aeration, dethatching, and cutting of vegetation, including
 5 lawn edging.

6 (ii) Installation or replacement of ground cover and plant life.

7 (iii) Minor fixes to existing drainage and sprinkler systems.

8 (C) This paragraph shall become inoperative on January 1,
 9 2020.

10 (3) The exclusion of the activities in paragraph (2) from the
 11 definition of "excavation" shall not be used to discourage a person
 12 planning to perform those activities from voluntarily notifying a
 13 regional notification center pursuant to Section 4216.2, and does
 14 not relieve an operator of a subsurface installation from the
 15 obligation to locate and mark pursuant to Section 4216.3 following
 16 the notification. This paragraph shall become inoperative on
 17 January 1, 2020.

18 (h) Except as provided in Section 4216.8, "excavator" means
 19 any person, firm, contractor or subcontractor, owner, operator,
 20 utility, association, corporation, partnership, business trust, public
 21 agency, or other entity that performs any excavation.

22 (i) "Hand tool" means a piece of equipment used for excavating
 23 that uses human power and is not powered by any motor, engine,
 24 hydraulic, or pneumatic device.

25 (j) "High priority subsurface installation" means high-pressure
 26 natural gas pipelines with normal operating pressures greater than
 27 415kPA gauge (60psig), petroleum pipelines, pressurized sewage
 28 pipelines, high-voltage electric supply lines, conductors, or cables
 29 that have a potential to ground of greater than or equal to 60kv, or
 30 hazardous materials pipelines that are potentially hazardous to
 31 workers or the public if damaged.

32 (k) "Inactive subsurface installation" means both of the
 33 following:

34 (1) The portion of an underground subsurface installation that
 35 is not in use but is still connected to the subsurface installation, or
 36 to any other subsurface installation, that is in use or still carries
 37 service.

38 (2) A new underground subsurface installation that has not been
 39 connected to any portion of an existing subsurface installation.

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1 (l) ^aLegal excavation start date and time^o means at least two
2 working days, not including the date of noti@cation, or up to 14
3 calendar days from the date of noti@cation, if so speci@d by the
4 excavator.

5 (m) ^aLocal agency^o means a city, county, city and county,
6 school district, or special district.

7 (n) (1) ^aLocate and @eld mark^o means to indicate the existence
8 of any owned or maintained subsurface installations by using the
9 guidelines in Appendix B of the ^aGuidelines for Operator's Facility
10 Field Delineation^o published in Best Practices Version 11.0 by the
11 Common Ground Alliance and in conformance with the uniform
12 color code of the American Public Works Association. If there is
13 a con`ict between the marking practices in the guidelines and this
14 article, this article shall control.

15 (2) ^aLocate and @eld mark^o does not require an indication of
16 the depth.

17 (o) ^aNear miss^o means an event in which damage did not occur,
18 but a clear potential for damage was identi@d.

19 (p) ^aOperator^o means any person, corporation, partnership,
20 business trust, public agency, or other entity that owns, operates,
21 or maintains a subsurface installation. For purposes of Section
22 4216.1, an ^aoperator^o does not include an owner of real property
23 where subsurface facilities are exclusively located if they are used
24 exclusively to furnish services on that property and the subsurface
25 facilities are under the operation and control of that owner.

26 (q) ^aPavement^o means a manmade surface material that cannot
27 be removed with a conventional hand tool.

28 (r) ^aPositive response^o means the response from an operator
29 directly to the excavator providing the status of an operator's
30 statutorily required response to a ticket.

31 (s) ^aQuali@d person^o means a person who completes a training
32 program in accordance with the requirements of Section 1509 of
33 Title 8 of the California Code of Regulations, Injury and Illness
34 Prevention Program, that meets the minimum locators training
35 guidelines and practices published in Best Practices Version 11.0
36 by the Common Ground Alliance.

37 (t) ^aRegional noti@cation center^o means a nonpro@t association
38 or other organization of operators of subsurface installations that
39 provides advance warning of excavations or other work close to

1 existing subsurface installations, for the purpose of protecting
2 those installations from damage, removal, relocation, or repair.

3 (u) ^aState agency^o means every state agency, department,
4 division, bureau, board, or commission.

5 (v) ^aSubsurface installation^o means any underground or
6 submerged duct, pipeline, or structure, including, but not limited
7 to, a conduit, duct, line, pipe, wire, or other structure, except
8 nonpressurized sewerlines, nonpressurized storm drains, or other
9 nonpressurized drain lines.

10 (w) ^aTicket^o means an excavation location request issued a
11 number by the regional notification center.

12 (x) ^aTolerance zone^o means 24 inches on either side of the field
13 marking placed by the operator as follows:

14 (1) A single marking, assumed to be the centerline of the
15 subsurface installation, 24 inches from either side of that marking.

16 (2) A single marking with the size of installation specified as
17 24 inches plus one-half the specified size on either side from the
18 single marking.

19 (3) Multiple markings that graphically show the width of the
20 installation 24 inches from the marking that graphically show the
21 outside surface of the subsurface installation on a horizontal plane.

22 (y) ^aWorking day^o for the purposes of determining excavation
23 start date and time means a weekday Monday through Friday, from
24 7:00 a.m. to 5:00 p.m., except for federal holidays and state
25 holidays, as defined in Section 19853 of the Government Code.

26 SEC. 4. Section 4216.1 of the Government Code is amended
27 to read:

28 4216.1. Every operator of a subsurface installation shall become
29 a member of, participate in, and share in the costs of, a regional
30 notification center. Operators of subsurface installations who are
31 members of, participate in, and share in, the costs of a regional
32 notification center, including, but not limited to, the Underground
33 Service Alert^o Northern California or the Underground Service
34 Alert^o Southern California are in compliance with this section
35 and Section 4216.9.

36 SEC. 5. Section 4216.2 of the Government Code is amended
37 to read:

38 4216.2. (a) Before notifying the appropriate regional
39 notification center, an excavator planning to conduct an excavation
40 shall delineate the area to be excavated. If the area is not delineated,

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1 an operator may, at the operator's discretion, choose not to locate
2 and field mark until the area to be excavated has been delineated.

3 (b) Except in an emergency, an excavator planning to conduct
4 an excavation shall notify the appropriate regional notification
5 center of the excavator's intent to excavate at least two working
6 days, and not more than 14 calendar days, before beginning that
7 excavation. The date of the notification shall not count as part of
8 the two-working-day notice. If an excavator gives less notice than
9 the legal excavation start date and time and the excavation is not
10 an emergency, the regional notification center will take the
11 information and provide a ticket, but an operator has until the legal
12 excavation start date and time to respond.

13 (c) When the excavation is proposed within 10 feet of a high
14 priority subsurface installation, the operator of the high priority
15 subsurface installation shall notify the excavator of the existence
16 of the high priority subsurface installation prior to the legal
17 excavation start date and time, and set up an onsite meeting at a
18 mutually agreed upon time to determine actions or activities
19 required to verify the location and prevent damage to the high
20 priority subsurface installation. The excavator shall not begin
21 excavating until after the completion of the onsite meeting.

22 (d) Except in an emergency, every excavator covered by Section
23 4216.8 planning to conduct an excavation on private property that
24 does not require an excavation permit may contact the appropriate
25 regional notification center if the private property is known, or
26 reasonably should be known, to contain a subsurface installation
27 other than the underground facility owned or operated by the
28 excavator. Before notifying the appropriate regional notification
29 center, an excavator shall delineate the area to be excavated. Any
30 temporary marking placed at the planned excavation location shall
31 be clearly seen, functional, and considerate to surface aesthetics
32 and the local community. An excavator shall check if any local
33 ordinances apply to the placement of temporary markings.

34 (e) If an excavator gives less than the legal excavation start date
35 and time and it is not an emergency, the regional notification center
36 shall take the information and provide a ticket but an operator shall
37 have until the legal excavation start date and time to respond.

38 (f) The regional notification center shall provide a ticket to the
39 person who contacts the center pursuant to this section and shall
40 notify any member, if known, who has a subsurface installation

1 in the area of the proposed excavation. A ticket shall be valid for
 2 28 days from the date of issuance. If work continues beyond 28
 3 days, the excavator shall update the ticket either by accessing the
 4 center's Internet Web site or by calling "811" by the end of the
 5 28th day.

6 (g) A record of all notifications by an excavator or operator to
 7 the regional notification center shall be maintained for a period of
 8 not less than three years. The record shall be available for
 9 inspection by the excavator and any member, or their
 10 representative, during normal working hours and according to
 11 guidelines for inspection as may be established by the regional
 12 notification centers.

13 (h) Unless an emergency exists, an excavator shall not begin
 14 excavation until the excavator receives a positive response from
 15 all known subsurface installations within the delineated boundaries
 16 of the proposed area of excavation.

17 (i) If a site requires special access, an excavator shall request
 18 an operator to contact the excavator regarding that special access
 19 or give special instructions on the location request.

20 (j) If a ticket obtained by an excavator expires but work is
 21 ongoing, the excavator shall call into the regional notification
 22 center and get a new ticket and wait a minimum of two working
 23 days, not including the date of call in, before restarting excavation.
 24 All excavation shall cease during the waiting period.

25 (k) When the excavation is complete, the excavator shall
 26 eliminate or camouflage any temporary markings that remain for
 27 45 days or more, unless a local ordinance indicates otherwise.

28 SEC. 6. Section 4216.3 of the Government Code is amended
 29 to read:

30 4216.3. (a) (1) (A) Unless the excavator and operator
 31 mutually agree to a later start date and time, or otherwise agree to
 32 the sequence and timeframe in which the operator will locate and
 33 field mark, an operator shall do one of the following before the
 34 legal excavation start date and time:

35 (i) Locate and field mark within the area delineated for
 36 excavation and, where multiple subsurface installations of the same
 37 type are known to exist together, mark the number of subsurface
 38 installations.

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1 (ii) To the extent and degree of accuracy that the information
2 is available, provide information to an excavator where the
3 operator's active or inactive subsurface installations are located.

4 (iii) Advise the excavator it operates no subsurface installations
5 in the area delineated for excavation.

6 (B) An operator shall mark newly installed subsurface
7 installations in areas with continuing excavation activity.

8 (C) An operator shall indicate with an ^aA^o inside a circle the
9 presence of any abandoned subsurface installations within the
10 delineated area. The markings are to make an excavator aware that
11 there are abandoned subsurface installations within that delineated
12 work area.

13 (2) Only a qualified person shall perform subsurface installation
14 locating activities.

15 (3) A qualified person performing subsurface installation
16 locating activities on behalf of an operator shall use a minimum
17 of a single-frequency utility locating device and shall have access
18 to alternative sources for verification, if necessary.

19 (4) An operator shall amend, update, maintain, and preserve all
20 plans and records for its subsurface installations as that information
21 becomes known. If there is a change in ownership of a subsurface
22 installation, the records shall be turned over to the new operator.
23 Records on abandoned subsurface installations shall be kept
24 beginning on January 1, 2016.

25 (b) If the field marks are no longer reasonably visible, an
26 excavator shall renotify the regional notification center with a
27 request for remarks that can be for all or a portion of the
28 excavation. Excavation shall cease in the area to be remarked. If
29 the area to be remarked is not the full extent of the original
30 excavation, the excavator shall delineate the portion to be remarked.
31 If the delineation markings are no longer reasonably visible, the
32 excavator shall redelineate the area to be remarked. If remarks are
33 requested, the operator shall have two working days, not including
34 the date of request, to remark the subsurface installation.
35 Excavation shall cease in the area where the remarks are requested.
36 If the area to be remarked is not the full extent of the original
37 excavation, the excavator shall delineate the portion to be remarked
38 and provide a description of the area requested to be remarked on
39 the ticket. The excavator shall provide a description for the area

1 to be remarked that falls within the area of the original location
2 request.

3 (c) Every operator may supply an electronic positive response
4 through the regional notification center before the legal excavation
5 start date and time. The regional notification center shall make
6 those responses available.

7 (d) The excavator shall notify the appropriate regional
8 notification center of the failure of an operator to identify
9 subsurface installations pursuant to subparagraph (A) or (B) of
10 paragraph (1) of subdivision (a), or subdivision (b). The notification
11 shall include the ticket issued by the regional notification center.
12 A record of all notifications received pursuant to this subdivision
13 shall be maintained by the regional notification center for a period
14 of not less than three years. The record shall be available for
15 inspection pursuant to subdivision (h) of Section 4216.2.

16 (e) If an operator or local agency knows that it has a subsurface
17 installation embedded or partially embedded in the pavement that
18 is not visible from the surface, the operator or local agency shall
19 contact the excavator before pavement removal to communicate
20 and determine a plan of action to protect that subsurface installation
21 and excavator.

22 SEC. 7. Section 4216.4 of the Government Code is amended
23 to read:

24 4216.4. (a) (1) Except as provided in paragraph (2), if an
25 excavation is within the approximate location of a subsurface
26 installation, the excavator shall expose with hand tools to the depth
27 of the excavation within the tolerance zone, including any
28 applicable clearance requirements, for the full length of the project.

29 (2) (A) An excavator may use a vacuum excavation device to
30 expose subsurface installations within the tolerance zone if the
31 operator has marked the subsurface installation, the excavator has
32 contacted any operator whose subsurface installations may be in
33 conflict with the excavation, and the operator has agreed to the
34 use of a vacuum excavation device. An excavator shall inform the
35 regional notification center of his or her intent to use a vacuum
36 excavation device when obtaining a ticket.

37 (B) An excavator may use power-operated or boring equipment
38 for the removal of any existing pavement only if there is no known
39 subsurface installation contained in the pavement.

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1 (b) If the exact location of the subsurface installation cannot be
2 determined by hand excavating in accordance with subdivision
3 (a), the excavator shall request the operator to provide additional
4 information to the excavator, to the extent that information is
5 available to the operator, to enable the excavator to determine the
6 exact location of the installation. If the excavator has questions
7 about the markings that an operator has placed, the excavator may
8 contact the notification center to send a request to have the operator
9 contact the excavator directly. The regional notification center
10 shall provide the excavator with the contact telephone number of
11 the subsurface installation operator.

12 (c) An excavator discovering or causing damage to a subsurface
13 installation, including all breaks, leaks, nicks, dents, gouges,
14 grooves, or other damage to subsurface installation lines, conduits,
15 coatings, or cathodic protection, shall immediately notify the
16 subsurface installation operator. The excavator may contact the
17 regional notification center to obtain the contact information of
18 the subsurface installation operator. If high priority subsurface
19 installations are damaged and the operator cannot be contacted
20 immediately, the excavator shall call 911 emergency services.

21 (d) Each excavator, operator, or locator shall communicate with
22 each other and respect the appropriate safety requirements and
23 ongoing activities of the other parties, if known, at an excavation
24 site.

25 SEC. 8. Section 4216.5 of the Government Code is amended
26 to read:

27 4216.5. The requirements of this article apply to state agencies
28 and to local agencies that own or operate subsurface installations.
29 A local agency that is required to provide the services described
30 in Section 4216.3 may charge a fee in an amount sufficient to cover
31 the cost of providing that service.

32 SEC. 9. Section 4216.6 of the Government Code is amended
33 to read:

34 4216.6. (a) (1) Any operator or excavator who negligently
35 violates this article is subject to a civil penalty in an amount not
36 to exceed ten thousand dollars (\$10,000).

37 (2) Any operator or excavator who knowingly and willfully
38 violates any of the provisions of this article is subject to a civil
39 penalty in an amount not to exceed fifty thousand dollars (\$50,000).

1 (3) Except as otherwise specifically provided in this article, this
 2 section is not intended to affect any civil remedies otherwise
 3 provided by law for personal injury or for property damage,
 4 including any damage to subsurface installations, nor is this section
 5 intended to create any new civil remedies for those injuries or that
 6 damage.

7 (4) This article shall not be construed to limit any other provision
 8 of law granting governmental immunity to state or local agencies
 9 or to impose any liability or duty of care not otherwise imposed
 10 by law upon any state or local agency.

11 (b) An action may be brought by the Attorney General, the
 12 district attorney, or the local or state agency that issued the permit
 13 to excavate, for the enforcement of the civil penalty pursuant to
 14 this section either in a civil action brought in the name of the people
 15 of the State of California or in an administrative hearing before
 16 the authority pursuant to Section ~~4216.19~~. 4216.20. If penalties
 17 are collected as a result of a civil suit brought by a state or local
 18 agency for collection of those civil penalties, the penalties imposed
 19 shall be paid to the general fund of the agency. If more than one
 20 agency is involved in enforcement, the penalties imposed shall be
 21 apportioned among them by the court in a manner that will fairly
 22 offset the relative costs incurred by the state or local agencies, or
 23 both, in collecting these fees.

24 (c) The requirements of this article may also be enforced as
 25 follows:

26 (1) The Contractors' State License Board shall enforce paragraph
 27 (1) of subdivision (a) of Section 4216.2 as specified in Section
 28 7110.7 of the Business and Professions Code.

29 (2) The Public Utilities Commission may enforce subdivisions
 30 (a) and (b) of Section 4216.3 against operators of natural gas and
 31 electric underground infrastructure, unless those operators are
 32 municipal utilities.

33 (3) The Office of the State Fire Marshal may enforce
 34 subdivisions (a) and (b) of Section 4216.3 against operators of
 35 hazardous liquid pipelines, unless those operators are municipal
 36 utilities.

37 (d) Statewide information provided by operators and excavators
 38 regarding facility events shall be compiled and made available in
 39 an annual report by regional notification centers and posted on the
 40 Internet Web sites of the regional notification centers.

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1 (e) For purposes of subdivision (d), the following terms have
2 the following meanings:

3 (1) ^aFacility event^o means the occurrence of excavator
4 downtime, damages, near misses, and violations.

5 (2) ^aStatewide information^o means information submitted by
6 operators and excavators using the California Regional Common
7 Ground Alliance's Virtual Private Damage Information Reporting
8 Tool. Supplied data shall comply with the Damage Information
9 Reporting Tool's minimum essential information as listed in Best
10 Practices Version 11.0 by the Common Ground Alliance.

11 SEC. 10. Section 4216.7 of the Government Code is amended
12 to read:

13 4216.7. (a) If a subsurface installation is damaged by an
14 excavator as a result of failing to comply with Section 4216.2 or
15 4216.4, or as a result of failing to comply with the operator's
16 requests to protect the subsurface installation as speci@ed by the
17 operator before the start of excavation, the excavator shall be liable
18 to the operator of the subsurface installation for resulting damages,
19 costs, and expenses to the extent the damages, costs, and expenses
20 were proximately caused by the excavator's failure to comply.

21 (b) If an operator has failed to become a member of, participate
22 in, or share in the costs of, a regional noti@cation center, that
23 operator shall forfeit his or her claim for damages to his or her
24 subsurface installation arising from an excavation against an
25 excavator who has complied with this article to the extent damages
26 were proximately caused by the operator's failure to comply with
27 this article.

28 (c) If an operator of a subsurface installation has failed to
29 comply with the provisions of Section 4216.3, including, but not
30 limited to, the requirement to @eld mark the appropriate location
31 of subsurface installations within two working days of noti@cation,
32 has failed to comply with paragraph (2) of subdivision (a) of
33 Section 4216.2, or has failed to comply with subdivision (b) of
34 Section 4216.4, the operator shall be liable to the excavator who
35 has complied with Sections 4216.2 and 4216.4 for damages,
36 including liquidated damages, liability, losses, costs, and expenses
37 resulting from the operator's failure to comply with these speci@ed
38 requirements to the extent the damages, costs, and expenses were
39 proximately caused by the operator's failure to comply.

1 (d) An excavator who damages a subsurface installation due to
 2 an inaccurate field mark by an operator, or by a third party under
 3 contract to perform field marking for the operator, shall not be
 4 liable for damages, replacement costs, or other expenses arising
 5 from damages to the subsurface installation if the excavator
 6 complied with Sections 4216.2 and 4216.4.

7 This section is not intended to create any presumption or to affect
 8 the burden of proof in any action for personal injuries or property
 9 damage, other than damage to the subsurface installation, nor is
 10 this section intended to affect, create, or eliminate any remedy for
 11 personal injury or property damage, other than damage to the
 12 subsurface installation.

13 (e) In any actions for reimbursement or indemnification for a
 14 claim arising from damage to a subsurface installation in which a
 15 court finds that the excavator complied with the requirements of
 16 this article, the excavator may be awarded reasonable attorney's
 17 fees and expenses.

18 (f) For the purposes of this section, "inaccurate field mark"
 19 means a mark, or set of markings, made pursuant to Section 4216.3,
 20 that did not correctly indicate the approximate location of a
 21 subsurface installation affected by an excavation and includes the
 22 actual physical location of a subsurface installation affected by an
 23 excavation that should have been marked pursuant to Section
 24 4216.3 but was not.

25 (g) Nothing in this section shall be construed to do any of the
 26 following:

27 (1) Affect claims including, but not limited to, third-party claims
 28 brought against the excavator or operator by other parties for
 29 damages arising from the excavation.

30 (2) Exempt the excavator or operator from his or her duty to
 31 mitigate any damages as required by common or other applicable
 32 law.

33 (3) Exempt the excavator or operator from liability to each other
 34 or third parties based on equitable indemnity or comparative or
 35 contributory negligence.

36 SEC. 11. Section 4216.8 of the Government Code is amended
 37 to read:

38 4216.8. This article does not apply to either of the following
 39 persons:

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1 (a) An owner of residential real property doing work not
2 requiring a permit issued by a state or local agency on his or her
3 residential real property that has no easement or right-of-way for
4 a subsurface installation who only uses hand tools for excavation.
5 *A person described in this subdivision is not an "excavator" as*
6 *defined in subdivision (h) of Section 4216, however this subdivision*
7 *shall not discourage a person from voluntarily notifying a regional*
8 *notification center pursuant to Section 4216.2, and does not relieve*
9 *an operator of a subsurface facility from the obligation to locate*
10 *and "field mark pursuant to Section 4216.3 following the*
11 *notification.*

12 (b) Any person or private entity that leases or rents power
13 operated or power-driven excavating or boring equipment,
14 regardless of whether an equipment operator is provided for that
15 piece of equipment or not, to a contractor or subcontractor licensed
16 pursuant to Article 5 (commencing with Section 7065) of Chapter
17 9 of Division 3 of the Business and Professions Code, if the signed
18 rental agreement between the person or private entity and the
19 contractor or subcontractor contains the following provision:

20
21 ⁹ It is the sole responsibility of the lessee or renter to follow
22 the requirements of the regional notification center law
23 pursuant to Article 2 (commencing with Section 4216) of
24 Chapter 3.1 of Division 5 of Title 1 of the Government Code.
25 By signing this contract, the lessee or renter accepts all
26 liabilities and responsibilities contained in the regional
27 notification center law.⁹

28
29 SEC. 12. Section 4216.9 of the Government Code is amended
30 to read:

31 4216.9. (a) A permit to excavate issued by any local agency,
32 as defined in Section 4216, or any state agency, shall not be valid
33 unless the applicant has been provided an initial ticket by a regional
34 notification center pursuant to Section 4216.2. For purposes of
35 this section, ⁹ state agency⁹ means every state agency, department,
36 division, bureau, board, or commission, including the Department
37 of Transportation.

38 (b) This article does not exempt any person or corporation from
39 Sections 7951, 7952, and 7953 of the Public Utilities Code.

1 SEC. 13. Section 4216.10 is added to the Government Code,
2 to read:

3 4216.10. If the operator of a high-priority subsurface
4 installation finds that the depth of the subsurface installation
5 subject to agricultural activities described in subparagraph (A)
6 of paragraph (2) of subdivision (g) of Section 4216 is insufficient
7 to safely perform those activities, the operator of the high-priority
8 subsurface installation shall send notification, by registered mail,
9 to the landowner of the potential hazard and, within ___ days of
10 that notification, shall access the site at a date agreed upon by the
11 operator and the landowner to identify with permanent markers
12 the location and depth of the high-priority subsurface installation.

13 ~~SEC. 13.~~

14 SEC. 14. Section ~~4216.10~~ 4216.11 is added to the Government
15 Code, to read:

16 ~~4216.10.~~

17 4216.11. (a) On or before January 1, 2017, the Occupational
18 Safety and Health Standards Board shall revise subdivision (b) of
19 Section 1541 of Title 8 of the California Code of Regulations to
20 clarify best practices to be used by excavators when excavating
21 near subsurface installations.

22 (b) The board shall convene an advisory committee hearing to
23 seek input from operators, regional notification centers, labor, and
24 excavators on best practices to be used by excavators when
25 excavating in urban areas where there is a high density of
26 subsurface installations, the appropriate frequency of potholing,
27 and other best practices developed by various industry associations,
28 including the Common Ground Alliance.

29 ~~SEC. 14.~~

30 SEC. 15. Section ~~4216.11~~ 4216.12 is added to the Government
31 Code, to read:

32 ~~4216.11.~~

33 4216.12. (a) The California Underground Facilities Safe
34 Excavation Authority is hereby created.

35 (b) The authority shall enforce this article and further its
36 purposes, and thus has the same powers as are conferred upon
37 heads of departments of the state by Article 1 (commencing with
38 Section 11150) of Chapter 2 of Part 1 of Division 3 of Title 2 in
39 the Government Code. Notwithstanding Section 11152, the
40 authority shall not adopt rules or regulations.

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1 (c) The authority may hold hearings and conduct any
2 investigations necessary to carry out its powers and duties
3 prescribed by this article and, for those purposes, has the same
4 powers as are conferred upon heads of departments of the state by
5 Article 2 (commencing with Section 11180) of Chapter 2 of Part
6 1 of Division 3 of Title 2.

7 ~~SEC. 15.~~

8 *SEC. 16.* Section ~~4216.12~~ *4216.13* is added to the Government
9 Code, to read:

10 ~~4216.12.~~

11 *4216.13.* (a) The authority shall be composed of nine members,
12 of which seven shall be appointed by the Governor, one shall be
13 appointed by the Speaker of the Assembly, and one shall be
14 appointed by the Senate Committee on Rules.

15 (b) The seven members appointed by the Governor shall be
16 appointed, as follows:

17 (1) Three members shall have knowledge and expertise in
18 managing underground. Of those three members, one shall have
19 knowledge and expertise in managing the underground institutions
20 of a municipal utility.

21 (2) Two members shall have knowledge and expertise in contract
22 excavation.

23 (3) One member shall have knowledge and expertise in
24 subsurface installation location and marking.

25 (4) One member shall have knowledge and expertise in operating
26 a regional notification center.

27 (c) The member appointed by the Speaker of the Assembly shall
28 have knowledge and expertise in representing in safety matters
29 the workers employed by contract excavators.

30 (d) The member appointed by the Senate Committee on Rules
31 shall have knowledge and expertise in managing the underground
32 installations on one's own property, and may be drawn from
33 agricultural, commercial, or residential, or other, property sectors.

34 ~~SEC. 16.~~

35 *SEC. 17.* Section ~~4216.13~~ *4216.14* is added to the Government
36 Code, to read:

37 ~~4216.13.~~

38 *4216.14.* (a) The term of a member of the authority is two
39 years. Of the first members of the authority, four members,

1 determined by lot, shall serve for one year so that the terms of the
2 members shall be staggered.

3 (b) A member shall not be appointed for more than two
4 consecutive full terms.

5 (c) To the extent possible, the Governor shall fill any vacancy
6 in the membership of the authority within 60 days after the vacancy
7 occurs.

8 (d) Upon the recommendation of the authority, the Governor
9 may remove a member appointed by the Governor for
10 incompetence or misconduct.

11 ~~SEC. 17.~~

12 ~~SEC. 18.~~ Section ~~4216.14~~ 4216.15 is added to the Government
13 Code, to read:

14 ~~4216.14.~~

15 4216.15. (a) The authority shall select a chairperson from
16 among its members at the first meeting of each calendar year or
17 when a vacancy in the chair exists.

18 (b) Subject to subdivision (c), the manner in which the
19 chairperson is selected and the chairperson's term of office shall
20 be determined by the authority.

21 (c) A member of the authority shall not serve more than two
22 consecutive years as the chairperson of the authority.

23 ~~SEC. 18.~~

24 ~~SEC. 19.~~ Section ~~4216.15~~ 4216.16 is added to the Government
25 Code, to read:

26 ~~4216.15.~~

27 4216.16. The authority shall meet at least once every three
28 months. The authority shall hold meetings in Sacramento and Los
29 Angeles, and in other locations in the state it deems necessary.

30 ~~SEC. 19.~~

31 ~~SEC. 20.~~ Section ~~4216.16~~ 4216.17 is added to the Government
32 Code, to read:

33 ~~4216.16.~~

34 4216.17. (a) In addition to other powers specified in this article,
35 the authority may do any of the following:

36 (1) Apply for and accepts grants, contributions, and
37 appropriations, and award grants consistent with the goals and
38 objectives of a program or activity the authority is authorized to
39 implement or administer.

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1 (2) Contract for professional services if the work or services
2 cannot be satisfactorily performed by its employees or by any other
3 state agency.

4 (3) Sue and be sued.

5 (4) Request and utilize the advice and services of all federal,
6 state, local, and regional agencies.

7 (5) Conduct public education and outreach programs consistent
8 with this article, promote the development of safety procedures
9 for excavation and demolition projects constructed in the area of
10 underground facilities, or make grants to local governments or
11 private entities to do so.

12 (b) Notwithstanding Section 11152, the authority shall not adopt
13 rules or regulations.

14 ~~SEC. 20.~~

15 ~~SEC. 21.~~ Section ~~4216.17~~ *4216.18* is added to the Government
16 Code, to read:

17 ~~4216.17.~~

18 *4216.18.* The authority may obtain funding for its operational
19 expenses from:

20 (a) A federal or state grant.

21 (b) A fee charged to members of the regional notification centers
22 not to exceed the reasonable regulatory cost incident to enforcement
23 of this article.

24 (c) A fine assessed pursuant to Section ~~4216.19.~~ *4216.20.*

25 (d) A filing or administrative fee to hear a complaint pursuant
26 to Section ~~4216.19.~~ *4216.20.*

27 (e) Any other source.

28 ~~SEC. 21.~~

29 ~~SEC. 22.~~ Section ~~4216.18~~ *4216.19* is added to the Government
30 Code, to read:

31 ~~4216.18.~~

32 *4216.19.* In the enforcement of this article, and furtherance of
33 its purposes, the authority may authorize staff to use compliance
34 audits, including field audits, and investigations of incidents and
35 near-misses.

36 ~~SEC. 22.~~

37 ~~SEC. 23.~~ Section ~~4216.19~~ *4216.20* is added to the Government
38 Code, to read:

1 ~~4216.19.~~

2 ~~4216.20.~~ (a) After providing opportunity for hearing pursuant
3 to the administrative adjudication provisions of the Administrative
4 Procedure Act (Chapter 4.5 (commencing with Section 11400) of
5 Part 1 of Division 3 of Title 2), the authority, upon making a
6 finding of violation, may:

7 (1) Assess a civil penalty of no more than ____ dollars (\$ ____).

8 (2) Reach a settlement in lieu of assessing a civil penalty.

9 (3) Require remedial education relevant to the violation.

10 (b) The authority may do both of the following:

11 (1) Use the services of a third party to collect civil penalties.

12 (2) If the authority determines that an individual cannot afford
13 to pay a penalty imposed pursuant to this section, the authority
14 may exempt the individual from payment of the penalty in whole
15 or in part.

16 ~~SEC. 23.~~

17 ~~SEC. 24.~~ Section ~~4216.20~~ 4216.21 is added to the Government
18 Code, to read:

19 ~~4216.20.~~

20 4216.21. (a) A person aggrieved by a decision of the authority
21 may, within 30 days after receiving the decision, request judicial
22 review of the decision in superior court.

23 (b) In accordance with the judicial review and appeals process
24 under the Administrative Procedure Act (Chapter 3.5 (commencing
25 with Section 1140), and Chapter 5 (commencing with Section
26 11500), of Part 1 of Division 3 of Title 2), the court shall hear and
27 determine all matters connected with the decision of the authority
28 for which judicial review is requested.

29 ~~SEC. 24.~~

30 ~~SEC. 25.~~ Section ~~4216.21~~ 4216.22 is added to the Government
31 Code, to read:

32 ~~4216.21.~~

33 4216.22. (a) Notwithstanding Section 10231.5, the authority
34 shall report to the Governor and the Legislature on or before
35 January 1, 2017, and each year thereafter, on the activities of the
36 authority and any recommendations of the authority.

37 (b) A report to be submitted pursuant to subdivision (a) shall
38 be submitted in compliance with Section 9795.

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1 ~~SEC. 25.~~

2 *SEC. 26.* Section 320.5 is added to the Public Utilities Code,
3 to read:

4 320.5. (a) The Safe Energy Infrastructure and Excavation Fund
5 is hereby established in the State Treasury. Moneys deposited into
6 the fund shall be used to cover the administrative expenses of the
7 California Underground Facilities Safe Excavation Authority, upon
8 appropriation by the Legislature.

9 (b) Any excess moneys in the fund that are not necessary for
10 the administrative expenses of the California Underground
11 Facilities Safe Excavation Authority may, upon appropriation by
12 the Legislature, be apportioned by the commission for the following
13 purposes:

14 (1) The California Underground Facilities Safe Excavation
15 Authority, for the purpose of the education and training of persons
16 who violate Article 2 (commencing with Section 4216) of Chapter
17 3.1 of Division 5 of Title 1 of the Government Code.

18 (2) Regional notification centers, as defined in Section 4216 of
19 the Government Code, to cover the cost of public education and
20 outreach programs designed to promote excavation safety around
21 underground facilities.

22 (3) The commission, to further a workforce development
23 program, which shall be consistent with its equal employment
24 opportunity program, that recruits and trains safety staff to perform
25 the highest quality gas and electric utility inspections, audits,
26 accident investigations, and data tracking and analysis. The
27 commission may only apportion moneys for this purpose upon
28 commission approval of the workforce development program at a
29 meeting of the commission.

30 *SEC. 27.* Section 971 is added to the Public Utilities Code, to
31 read:

32 971. (a) As a part of its damage prevention program carried
33 out pursuant to Section 192.614 of Part 192 of Title 49 of the Code
34 of Federal Regulation, each gas corporation shall collect data to
35 inform its outreach activities. The data shall include all of the
36 following:

37 (1) Damages that occurred during the performance of
38 landscaping activities. Each gas corporation shall note in its
39 investigation of excavation damage incidents the approximate
40 depth of the gas facility at the time of damage, the type of excavator

1 *involved, which may include [homeowner] [licensed contractor]*
 2 *or [unlicensed contractor] and whether the excavator had called*
 3 *the regional notification center before performing the excavation.*
 4 *This paragraph shall become inoperative on January 1, 2020.*

5 (2) *Any other information that the commission shall require.*

6 (b) *Each gas corporation shall annually report to the*
 7 *commission excavation damage data and analyses in a format of*
 8 *the commission's choosing.*

9 (c) *No later than February 1, 2019, the commission shall report*
 10 *to the Legislature an analysis of excavation damages to*
 11 *commission-regulated pipeline facilities. The report shall include*
 12 *analyses of the types of damages described in subdivision (a).*

13 ~~SEC. 26.~~

14 SEC. 28. Section 1702.5 of the Public Utilities Code is amended
 15 to read:

16 1702.5. (a) The commission shall, in an existing or new
 17 proceeding, develop and implement a safety enforcement program
 18 applicable to gas corporations and electrical corporations that
 19 includes procedures for monitoring, data tracking and analysis,
 20 and investigations, as well as issuance of citations by commission
 21 staff, under the direction of the executive director. The enforcement
 22 program shall be designed to improve gas and electrical system
 23 safety through the enforcement of applicable law, or order or rule
 24 of the commission related to safety using a variety of enforcement
 25 mechanisms, including the issuance of corrective actions, orders,
 26 and citations by designated commission staff, and recommendations
 27 for action made to the commission by designated commission staff.

28 (1) When considering the issuance of citations and assessment
 29 of penalties, the commission staff shall take into account voluntary
 30 reporting of potential violations, voluntary removal or resolution
 31 efforts undertaken, the prior history of violations, the gravity of
 32 the violation, and the degree of culpability.

33 (2) The procedures shall include, but are not limited to,
 34 providing notice of violation within a reasonable period of time
 35 after the discovery of the violation.

36 (3) The commission shall adopt an administrative limit on the
 37 amount of monetary penalty that may be set by commission staff.

38 (b) The commission shall develop and implement an appeals
 39 process to govern the issuance and appeal of citations or resolution
 40 of corrective action orders issued by the commission staff. The

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1 appeals process shall provide the respondent a reasonable period
2 of time, upon receiving a citation, to file a notice of appeal, shall
3 afford an opportunity for a hearing, and shall require the hearing
4 officer to expeditiously provide a draft disposition.

5 (c) The commission shall, within a reasonable time set by the
6 commission, conclude a safety enforcement action with a finding
7 of violation, a corrective action order, a citation, a determination
8 of no violation, approval of the corrective actions undertaken by
9 the gas corporation or electrical corporation, or other action. The
10 commission may institute a formal proceeding regarding the alleged
11 violation, potentially resulting in additional enforcement action,
12 regardless of any enforcement action taken at the commission staff
13 level.

14 (d) The commission shall implement the safety enforcement
15 program for gas safety by July 1, 2014, and implement the safety
16 enforcement program for electrical safety no later than January 1,
17 2015.

18 (e) This section does not apply to an exempt wholesale
19 generator, a qualifying small power producer, or qualifying
20 cogenerator, as defined in Section 796 of Title 16 of the United
21 States Code and the regulations enacted pursuant thereto. Nothing
22 in this section affects the commission's authority pursuant to
23 Section 761.3.

24 (f) Moneys collected as a result of the issuance of citations
25 pursuant to this section shall be deposited in the Safe Energy
26 Infrastructure and Excavation Fund.

27 *SEC. 29. No reimbursement is required by this act pursuant*
28 *to Section 6 of Article XIII B of the California Constitution because*
29 *the only costs that may be incurred by a local agency or school*
30 *district will be incurred because this act creates a new crime or*
31 *infraction, eliminates a crime or infraction, or changes the penalty*
32 *for a crime or infraction, within the meaning of Section 17556 of*
33 *the Government Code, or changes the definition of a crime within*
34 *the meaning of Section 6 of Article XIII B of the California*
35 *Constitution.*

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CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: SB 465 (Hill)
Status/Location: Amended 4/21/15 – Senate Floor
Sponsor: Author
Subject: Contractors State License Board
Code Section: Business & Professions Code sections 7000.5, 7011, 7071.6 and 7067.5

Summary:

This bill:

1. Extends the sunset date for the Contractors State License Board (CSLB) and the authorization for the appointment of a Registrar from January 1, 2016 to January 1, 2020.
2. Eliminates the existing requirement that applicants demonstrate evidence of financial solvency by possessing operating capital of \$2,500.
3. Increases the amount of the contractor's bond that licensees are required to maintain from \$12,500 to \$15,000.

Comments:

CSLB is responsible for the implementation and enforcement of the Contractors State License Law -- the laws and regulations related to the licensure, practice, and discipline of the construction industry in California. All businesses and individuals who construct or alter, or offer to construct or alter, any building, highway, road, parking facility, railroad, excavation, or other structure in California must be licensed by CSLB if the total cost (labor and materials) of one or more contracts on the project is \$500 or more.

CSLB licenses approximately 290,000 contractors in 44 license classifications and two certifications. CSLB issues some 17,000 licenses each year, and more than 120,000 licenses are renewed each year. A license may be issued to an individual, partnership, corporation, limited liability company, or joint venture. All licenses must have a qualifying individual (also referred to as "qualifier"), who is the person listed on CSLB records who satisfies the experience and examination requirements for a license. The Board also registers some 9,800 home improvement salespersons who sell home improvement goods and services.

In its 2014 sunset Review Report to the Legislature, CSLB identified several new issues for the Legislature's consideration, two of which are now included in this bill -- elimination of the capital requirement and a corresponding increase in the amount of the contractor's bond.

Fiscal Impact for CSLB:

No additional costs, as the bill continues the program as is.

Board Position and Comments:

SUPPORT. This bill continues CSLB's existing structure and implements two of CSLB's suggested statutory changes. CSLB does not verify the existing capital requirement, and believes it provides no additional consumer protection. The corresponding increase in the amount of the contractor's bond will provide an enhanced level of consumer protection

Date: May 28, 2015

AMENDED IN SENATE APRIL 21, 2015

SENATE BILL

No. 465

Introduced by Senator Hill

February 25, 2015

An act to amend Sections ~~7000.5 and 7011~~ of 7000.5, 7011, and 7071.6 of, and to repeal Section 7067.5 of, the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 465, as amended, Hill. Contractors' State License ~~Board~~. *Board: licensees: bond requirement.*

Under existing law, the Contractors' State License Law, the Contractors' State License Board is responsible for the licensure and regulation of contractors and is required to appoint a registrar of contractors. Existing law repeals these provisions establishing the board and requiring it to appoint a registrar on January 1, 2016.

This bill would extend these repeal dates to January 1, 2020.

Existing law requires every applicant for an original license, the reactivation of an inactive license, or the reissuance or reinstatement of a revoked license to evidence financial solvency, as specified, and requires the registrar to deny the application of any applicant who fails to comply with that requirement. Existing law, as a condition precedent to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a license, requires the applicant or licensee to file or have on file a contractor's bond in the sum of \$12,500.

This bill would repeal that evidence of financial solvency requirement and would instead require that bond to be in the sum of \$15,000.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7000.5 of the Business and Professions
2 Code is amended to read:

3 7000.5. (a) There is in the Department of Consumer Affairs
4 a Contractors' State License Board, which consists of 15 members.

5 (b) Notwithstanding any other provision of law, the repeal of
6 this section renders the board subject to review by the appropriate
7 policy committees of the Legislature.

8 (c) This section shall remain in effect only until January 1, 2020,
9 and as of that date is repealed, unless a later enacted statute, that
10 is enacted before January 1, 2020, deletes or extends that date.

11 SEC. 2. Section 7011 of the Business and Professions Code is
12 amended to read:

13 7011. (a) The board, by and with the approval of the director,
14 shall appoint a registrar of contractors and fix his or her
15 compensation.

16 (b) The registrar shall be the executive officer and secretary of
17 the board and shall carry out all of the administrative duties as
18 provided in this chapter and as delegated to him or her by the
19 board.

20 (c) For the purpose of administration of this chapter, there may
21 be appointed a deputy registrar, a chief reviewing and hearing
22 officer, and, subject to Section 159.5, other assistants and
23 subordinates as may be necessary.

24 (d) Appointments shall be made in accordance with the
25 provisions of civil service laws.

26 (e) This section shall remain in effect only until January 1, 2020,
27 and as of that date is repealed, unless a later enacted statute, that
28 is enacted before January 1, 2020, deletes or extends that date.

29 *SEC. 3. Section 7067.5 of the Business and Professions Code*
30 *is repealed.*

31 ~~7067.5. Every applicant for an original license, or for the~~
32 ~~reactivation of an inactive license, or for the reissuance or~~
33 ~~reinstatement of a revoked license shall possess and every such~~
34 ~~applicant, other than one applying under Section 7029 unless~~
35 ~~required by the registrar, shall evidence financial solvency. The~~
36 ~~registrar shall deny the application of any applicant who fails to~~
37 ~~comply with this section. For purposes of this section financial~~

1 solvency shall mean that the applicant's operating capital shall
 2 exceed two thousand five hundred dollars (\$2500).

3 The applicant shall provide answers to questions contained in a
 4 standard form of questionnaire as required by the registrar relative
 5 to his financial ability and condition and signed by the applicant
 6 under penalty of perjury.

7 In any case in which further financial information would assist
 8 the registrar in an investigation, the registrar may obtain such
 9 information or may require any licensee or applicant under
 10 investigation pursuant to this chapter to provide such additional
 11 financial information as the registrar may deem necessary.

12 The financial information required by the registrar shall be
 13 confidential and not a public record, but, where relevant, shall be
 14 admissible as evidence in any administrative hearing or judicial
 15 action or proceeding.

16 The registrar may destroy any financial information which has
 17 been on file for a period of at least three years.

18 *SEC. 4. Section 7071.6 of the Business and Professions Code*
 19 *is amended to read:*

20 7071.6. (a) The board shall require as a condition precedent
 21 to the issuance, reinstatement, reactivation, renewal, or continued
 22 maintenance of a license, that the applicant or licensee file or have
 23 on file a contractor's bond in the sum of ~~twelve thousand five~~
 24 ~~hundred dollars (\$12,500).~~ *fteen thousand dollars (\$15,000).*

25 (b) Excluding the claims brought by the beneficiaries specified
 26 in subdivision (a) of Section 7071.5, the aggregate liability of a
 27 surety on claims brought against a bond required by this section
 28 shall not exceed the sum of seven thousand five hundred dollars
 29 (\$7,500). The bond proceeds in excess of seven thousand five
 30 hundred dollars (\$7,500) shall be reserved exclusively for the
 31 claims of the beneficiaries specified in subdivision (a) of Section
 32 7071.5. However, nothing in this section shall be construed so as
 33 to prevent any beneficiary specified in subdivision (a) of Section
 34 7071.5 from claiming or recovering the full measure of the bond
 35 required by this section.

36 (c) No bond shall be required of a holder of a license that has
 37 been inactivated on the official records of the board during the
 38 period the license is inactive.

39 (d) Notwithstanding any other provision of law, as a condition
 40 precedent to licensure, the board may require an applicant to post

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- 1 a contractor's bond in twice the amount required pursuant to
2 subdivision (a) until the time that the license is renewed, under the
3 following conditions:
- 4 (1) The applicant has either been convicted of a violation of
5 Section 7028 or has been cited pursuant to Section 7028.7.
 - 6 (2) If the applicant has been cited pursuant to Section 7028.7,
7 the citation has been reduced to a final order of the registrar.
 - 8 (3) The violation of Section 7028, or the basis for the citation
9 issued pursuant to Section 7028.7, constituted a substantial injury
10 to the public.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 560 (Monning)
Status/Location: Amended 4/6/15 – Assembly Committees on Business & Professions and Insurance
Sponsor: Contractors State License Board
Subject: Notice to Appear Authority
Code Section: Business & Professions §7011.4

Summary:

This bill expands the authority of Contractors State License Board (CSLB) Enforcement Representatives (ERs) to issue to an unlicensed contractor a written notice to appear (NTA) in superior court for failure to secure workers' compensation (WC) insurance.

Existing law authorizes ERs to issue a written notice to appear to individuals for contracting without a license.

This bill will allow ERs to also issue an NTA for failure to carry WC insurance.

Comments:

Business & Professions (B&P) Code section 7011.4 establishes a separate enforcement division (Statewide Investigative Fraud Team - SWIFT), which shall rigorously enforce laws prohibiting all forms of unlicensed activity. CSLB ERs assigned to SWIFT investigate active construction sites for license and workers' compensation insurance compliance and conduct undercover sting operations targeting unlicensed and uninsured contractors.

Pursuant to B&P Code section 7028(a) it is a misdemeanor for a person to engage in the business or act in the capacity of a contractor without a license.

Further, Labor Code section 3700.5 (a) states that the failure to secure the payment of compensation by one who knew or, because of his or her knowledge or experience, is reasonably expected to have known of the obligation to secure this payment of compensation, is a misdemeanor and punishable by county jail, or a fine, or both.

B&P Code section 7011.4 provides authority for non-sworn ERs to issue an NTA for unlicensed practice, but not for failure to secure workers' compensation insurance. An NTA is an order by the court mandating an individual's presence at a hearing, on a specified date, to answer to wrongdoings of misdemeanor crimes.

Fiscal Impact for CSLB:

Absorbable.

Board Position and Comments:

SPONSOR/SUPPORT. The Board approved this legislative proposal at the December 2014 meeting. The ability to include the workers' compensation violation on the NTA could streamline the district attorney (DA) referral process. CSLB estimates that 20 percent of the NTAs issued for unlicensed practice will include this violation as well.

The amendments the Board adopted at the March 2015 meeting were incorporated into the most recent version of the bill.

Date: May 26, 2015

Introduced by Senator Monning

February 26, 2015

An act to amend Section 7011.4 of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

SB 560, as amended, Monning. Contractors.

The Contractors' State License Law provides for the licensure and regulation of contractors by the Contractors' State License Board within the Department of Consumer Affairs. The act establishes an enforcement division within the board that is required to enforce prohibitions against all forms of unlicensed activity, as specified.

This bill would authorize the enforcement division to additionally ~~ensure~~ *enforce the obligation to secure the payment of valid and current* workers' compensation insurance, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7011.4 of the Business and Professions
- 2 Code is amended to read:
- 3 7011.4. (a) Notwithstanding Section 7011, there is in the
- 4 Contractors' State License Board, a separate enforcement division
- 5 that shall rigorously enforce this chapter prohibiting all forms of
- 6 unlicensed activity and ~~ensuring~~ *shall enforce the obligation to*
- 7 *secure the payment of valid and current* workers' compensation

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1 ~~insurance, pursuant to~~ *insurance in accordance with* Section 3700.5
2 of the Labor Code.

3 (b) Persons employed as enforcement representatives of the
4 Contractors' State License Board and designated by the Director
5 of Consumer Affairs shall have the authority to issue a written
6 notice to appear in court pursuant to Chapter ~~5e~~ 5C (commencing
7 with Section 853.5) of Title 3 of Part 2 of the Penal Code. An
8 employee so designated is not a peace officer and is not entitled
9 to safety member retirement benefits as a result of that designation.
10 He or she does not have the power of arrest.

11 (c) When participating in the activities of the Joint Enforcement
12 Strike Force on the Underground Economy pursuant to Section
13 329 of the Unemployment Insurance Code, the enforcement
14 division shall have free access to all places of labor.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 561 (Monning)
Status/Location: Amended 5/12/15 – Senate Appropriations Committee
Sponsor: Contractors State License Board (CSLB)
Subject: Home Improvement Salesperson Registration
Code Section: Business & Professions Code sections 7152, 7153, 7153.2, 7153.3, 7154, 7155.5, and 7156

Summary:

This bill would eliminate the requirement that a Home Improvement Salesperson (HIS) separately register to work for each contractor and, instead, allow a properly registered HIS to utilize his or her individual registration with one or more licensed contractors.

At its March 2015 meeting the Board approved language to allow acceptance of electronic signatures. These amendments are now included in this bill. Additionally, the bill now contains further amendments requested by the California Solar Energy Industries Association that, 1) amend the language to make it clear that a HIS can register prior to affiliating with a contractor, but must be employed by a contractor to actually work as a HIS; and 2) amend the language that requires a contractor to notify CSLB of the pending employment of a HIS to delete the word “pending.” The bill still mandates that the contractor notify CSLB prior to the HIS beginning work for the contractor.

Existing Law:

1. Provides for the registration and regulation of home improvement salespersons by CSLB.
2. Makes it a crime for any person to engage in the occupation of home improvement salesperson for one or more home improvement contractors without a separate registration for each of the home improvement contractors by whom he or she is employed.

This Bill:

1. Makes several changes to the HIS statutory provisions.
2. Requires a HIS to have a current and valid registration prior to entering into a sales transaction.
3. Provides that a HIS registration shall expire two years from the last day of the month in which the registration was issued.
4. Provides that the delinquency fee for renewing an expired registration shall be 50 percent of the renewal fee.

5. Requires a licensed home improvement contractor to notify the registrar about the pending employment of a registered home improvement salesperson in writing and on a form prescribed by the registrar.
6. Provides that a home improvement contractor who fails to report employment of a HIS is subject to disciplinary action.
7. Authorizes the use of an electronic transmission system for HIS applications.

Background:

The California Solar Energy Industries Association sent a letter to Governor Brown last fall (which was forwarded to CSLB for response), regarding the HIS registration program and concerns about the impact on the industry of the four-to-five week processing time for new registrations. In FY 2013-14, CSLB received about 800 HIS applications per month, a 40 percent increase over the prior three years. Since then, the number of applications received each month has continued to grow, though the number of staff for processing has not, leading to increased processing times. At the time staff received the letter, CSLB was already reviewing the HIS program because of its awareness of the longer processing times. Among the Association's recommendations was to allow a registered HIS to work for multiple contractors. After review, CSLB endorsed the idea and proceeded with that proposal.

Fiscal Impact for CSLB:

The Board's Information Technology (IT) division estimates that it will take one Board IT staff person and an IT consultant approximately four-to-six months to make the necessary custom programming changes. IT staff will need approximately 692 to 1,040 hours of custom programming to re-map and change the current IT system to accommodate issuing a single HIS registration and to track the businesses within that registration. They also will need to consolidate and convert the existing HIS registrations with multiple expiration dates to one registration number by connecting existing licenses to a single registration number.

A Senior Program Analyst (Specialist) will perform this work, at an hourly cost of \$43.09, with a total approximate cost of \$42,342-\$63,635 (692 to 1,040 hours x \$43.09/hour x 1.42 benefits rate). A shortage of programming staff means that an IT Consultant will be required to undertake some of the major programming workload, which will take approximately 692 hours, at an hourly cost of \$95.00, for a total cost of \$65,740. The Board's total IT costs for this change in FY 2015-16 would be approximately \$108,082-\$129,375. The workload or costs associated with this bill are expected to be minor and absorbable within the Board's existing resources.

Board Position and Comments:

SPONSOR/SUPPORT. The change proposed by this bill will improve the current registration process and provide increased flexibility for HIS registrants.

Date: May 26, 2015

AMENDED IN SENATE MAY 12, 2015
AMENDED IN SENATE APRIL 20, 2015

SENATE BILL

No. 561

Introduced by Senator Monning
(Coauthor: Assembly Member Achadjian)

February 26, 2015

An act to amend Sections 7152, 7153, 7153.2, 7153.3, 7154, 7155.5, and 7156—*of, and to add Section 7156.6 to,* the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 561, as amended, Monning. Home improvement salespersons.

Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors, including home improvement contractors, by the Contractors' State License Board within the Department of Consumer Affairs. Existing law also provides for the registration and regulation of home improvement salespersons by the board. Existing law requires the board to appoint a registrar of contractors who is the executive officer and secretary of the board and is responsible for carrying out specified administrative duties. ~~Existing law requires the fees and civil penalties received under this law to be deposited in the Contractors' License Fund, a continuously appropriated fund.~~

Under existing law, a home improvement salesperson is a person employed by a licensed home improvement contractor to solicit, sell, negotiate, or execute contracts for home improvements, for the sale, installation, or furnishing of home improvement goods or services, or of swimming pools, spas, or hot tubs.

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This bill would provide that such a salesperson ~~also be registered under the law~~ *is a person who is registered and engaged in the business of soliciting, selling, negotiating, or executing contracts for home improvements, for the sale, installation or furnishing of home improvement goods or services, or of swimming pools, spas, or hot tubs. The bill would require a home improvement salesperson to register with the board in order to engage in the business of, or act in the capacity of, a home improvement salesperson.*

Existing law makes it a crime for any person to engage in the occupation of home improvement salesperson for one or more home improvement contractors without a registration for each of the home improvement contractors by whom he or she is employed. Existing law makes it a crime for any person to engage in the occupation of salesperson of home improvement goods or services, as defined, without a registration.

This bill would instead make it a crime for any person to engage in the occupation of home improvement salesperson for one or more home improvement contractors without having, at the time of the sales transaction, a current and valid registration. The bill would instead make it a crime for any person to engage in the occupation of salesperson of home improvement goods or services without having, at the time of the sales transaction, a current and valid registration. By changing the definitions of these crimes, the bill would impose a state-mandated local program.

Under existing law, home improvement salesperson registrations expire subject to board determination, as described.

This bill would provide that these registrations expire 2 years from the last day of the month in which the registration was issued or 2 years from the date on which the renewed registration last expired.

Under existing law, a home improvement contractor who employs a person to sell home improvement contracts while that person is not registered by the registrar as a home improvement salesperson is subject to disciplinary action.

This bill would require a home improvement contractor to notify the registrar in writing about the pending employment of a registered home improvement salesperson. The bill would also require a home improvement contractor to notify the registrar when a registered home improvement salesperson ceases to be employed by the contractor. The bill would make a home improvement contractor who fails to report this information subject to disciplinary action by the registrar.

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Existing law authorizes the board to make rules and regulations as are reasonably necessary to carry out the law and requires the rules and regulations to be adopted in accordance with the provisions of the Administrative Procedure Act.

The bill would authorize the board, by regulation, to implement a system to provide for the electronic transmission of home improvement salesperson applications and those aforementioned notices required to be made by a home improvement contractor.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7152 of the Business and Professions
2 Code is amended to read:
3 7152. (a) ^aHome improvement salesperson^a is a ~~person~~, person
4 who is registered under this chapter, ~~employed by a home~~
5 ~~improvement contractor licensed under this chapter to solicit, sell,~~
6 ~~negotiate, or execute and engaged in the business of soliciting,~~
7 ~~selling, negotiating, or executing~~ contracts for home improvements,
8 for the sale, installation or furnishing of home improvement goods
9 or services, or of swimming pools, spas, or hot tubs.
10 (b) *A home improvement salesperson shall register with the*
11 *board in order to engage in the business of, or act in the capacity*
12 *of, a home improvement salesperson.*
13 ~~(b)~~
14 (c) The following shall not be required to be registered as home
15 improvement salespersons:
16 (1) An officer of record of a corporation licensed pursuant to
17 this chapter, or a manager, member, or officer of record of a limited
18 liability company licensed pursuant to this chapter.
19 (2) A general partner listed on the license record of a partnership
20 licensed pursuant to this chapter.
21 (3) A qualifying person, as defined in Section 7025.

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1 (4) A salesperson whose sales are all made pursuant to
2 negotiations between the parties if the negotiations are initiated
3 by the prospective buyer at or with a general merchandise retail
4 establishment that operates from a fixed location where goods or
5 services are offered for sale.

6 (5) A person who contacts the prospective buyer for the
7 exclusive purpose of scheduling appointments for a registered
8 home improvement salesperson.

9 (6) A bona fide service repairperson who is in the employ of a
10 licensed contractor and whose repair or service call is limited to
11 the service, repair, or emergency repair initially requested by the
12 buyer of the service.

13 (e)

14 (d) The exemption to registration provided under paragraphs
15 (1), (2), and (3) of subdivision ~~(b)~~ (c) shall apply only to those
16 individuals who, at the time of the sales transaction, are listed as
17 personnel of record for the licensee responsible for soliciting,
18 negotiating, or contracting for a service or improvement that is
19 subject to regulation under this article.

20 SEC. 2. Section 7153 of the Business and Professions Code is
21 amended to read:

22 7153. (a) It is a misdemeanor for any person to engage in the
23 occupation of salesperson for one or more home improvement
24 contractors within this state without having, at the time of the sales
25 transaction, a current and valid home improvement salesperson
26 registration issued by the registrar. If, upon investigation, the
27 registrar has probable cause to believe that a salesperson is in
28 violation of this section, the registrar may issue a citation pursuant
29 to Section 7028.7.

30 It is a misdemeanor for any person to engage in the occupation
31 of salesperson of home improvement goods or services within this
32 state without having, at the time of the sales transaction, a current
33 and valid home improvement salesperson registration issued by
34 the registrar.

35 (b) Any security interest taken by a contractor, to secure any
36 payment for the performance of any act or conduct described in
37 Section 7151 that occurs on or after January 1, 1995, is
38 unenforceable if the person soliciting the act or contract was not
39 a duly registered salesperson or was not exempt from registration

1 pursuant to Section 7152 at the time the homeowner signs the
2 home improvement contract solicited by the salesperson.

3 SEC. 3. Section 7153.2 of the Business and Professions Code
4 is amended to read:

5 7153.2. All home improvement salesperson registrations issued
6 under the provisions of this article shall expire two years from the
7 last day of the month in which the registration was issued, or two
8 years from the date on which the renewed registration last expired.

9 SEC. 4. Section 7153.3 of the Business and Professions Code
10 is amended to read:

11 7153.3. (a) To renew a home improvement salesperson
12 registration, which has not expired, the registrant shall before the
13 time at which the registration would otherwise expire, apply for
14 renewal on a form prescribed by the registrar and pay a renewal
15 fee prescribed by this chapter. Renewal of an unexpired registration
16 shall continue the registration in effect for the two-year period
17 following the expiration date of the registration, when it shall
18 expire if it is not again renewed.

19 (b) An application for renewal of registration is delinquent if
20 the application is not postmarked *or received via electronic*
21 *transmission as authorized by Section 7156.6* by the date on which
22 the registration would otherwise expire. A registration may,
23 however, still be renewed at any time within three years after its
24 expiration upon the filing of an application for renewal on a form
25 prescribed by the registrar and the payment of the renewal fee
26 prescribed by this chapter and a delinquent renewal penalty in the
27 amount of twenty-five dollars (\$25). If a registration is not renewed
28 within three years, the person shall make a new application for
29 registration pursuant to Section 7153.1.

30 (c) The registrar may refuse to renew a registration for failure
31 by the registrant to complete the application for renewal of
32 registration. If a registrant fails to return the application rejected
33 for insufficiency or incompleteness within 90 days from the
34 original date of rejection, the application and fee shall be deemed
35 abandoned. Any application abandoned may not be reinstated.
36 However, the person may file a new application for registration
37 pursuant to Section 7153.1.

38 The registrar may review and accept the petition of a person who
39 disputes the abandonment of his or her renewal application upon

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1 a showing of good cause. This petition shall be received within 90
2 days of the date the application for renewal is deemed abandoned.

3 SEC. 5. Section 7154 of the Business and Professions Code is
4 amended to read:

5 7154. (a) A home improvement contractor licensed under this
6 chapter shall notify the registrar in writing, on a form prescribed
7 by the registrar, about the ~~pending~~ employment of a registered
8 home improvement salesperson, pursuant to the terms of this
9 article. This notification requirement shall include, but not be
10 limited to, the name and registration number of the home
11 improvement salesperson who is ~~pending employment~~ *employed*
12 by the contractor. The form shall be submitted prior to the home
13 improvement salesperson beginning work for the contractor.

14 (b) A home improvement contractor shall notify the registrar
15 in writing, on a form prescribed by the registrar, when a registered
16 home improvement salesperson ceases to be employed by the
17 contractor. This notification requirement shall include, but not be
18 limited to, the name and registration number of the home
19 improvement salesperson who had been employed by the
20 contractor. The form shall be submitted within 90 days after the
21 home improvement salesperson ceases to be employed by the
22 contractor.

23 (c) A home improvement contractor who employs a registered
24 home improvement salesperson to sell home improvement
25 contracts, but who fails to report to the registrar pursuant to
26 subdivision (a) or (b), is subject to disciplinary action by the
27 registrar.

28 (d) A home improvement contractor who employs a person to
29 sell home improvement contracts while that person is not registered
30 by the registrar as a home improvement salesperson as provided
31 in this article, is subject to disciplinary action by the registrar.

32 SEC. 6. Section 7155.5 of the Business and Professions Code
33 is amended to read:

34 7155.5. Violations of any provisions of this chapter by a home
35 improvement salesperson likewise constitute cause for disciplinary
36 action against the contractor by whom he or she was employed at
37 the time the violation occurred, whether or not the contractor had
38 knowledge of or participated in the act or omission constituting
39 violations of this chapter.

1 SEC. 7. Section 7156 of the Business and Professions Code is
2 amended to read:

3 7156. It shall be a misdemeanor and a cause for disciplinary
4 action to commit any of the following acts:

5 (a) For any home improvement salesperson to fail to account
6 for or to remit to his or her employing contractor any payment
7 received in connection with any home improvement transaction
8 or any other transaction involving a work of improvement.

9 (b) For any person to use a contract form in connection with
10 any home improvement transaction or any other transaction
11 involving a work of improvement if the form fails to disclose the
12 name of the contractor principal by whom he or she is employed.

13 SEC. 8. Section 7156.6 is added to the Business and Professions
14 Code, to read:

15 7156.6. (a) *Notwithstanding any other law, the board may*
16 *implement a system that provides for the electronic transmission*
17 *of an initial application or renewal application for the registration*
18 *required by this article and the electronic transmission of the*
19 *notices required by Section 7154.*

20 (b) *The board by regulation may specify the form and manner*
21 *of these transmissions, including the adoption of any protocols*
22 *necessary to ensure the validity and security of any information,*
23 *data, or document transmitted electronically. Upon the effective*
24 *date of the regulations, the electronic submission of an initial*
25 *registration application, a renewal application, or the electronic*
26 *transmission of a notice required by Section 7154 shall satisfy the*
27 *requirements of this article.*

28 ~~SEC. 8.~~

29 SEC. 9. No reimbursement is required by this act pursuant to
30 Section 6 of Article XIII B of the California Constitution because
31 the only costs that may be incurred by a local agency or school
32 district will be incurred because this act creates a new crime or
33 infraction, eliminates a crime or infraction, or changes the penalty
34 for a crime or infraction, within the meaning of Section 17556 of
35 the Government Code, or changes the definition of a crime within
36 the meaning of Section 6 of Article XIII B of the California
37 Constitution.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 799 – Committee on Business, Professions and Economic Development
Status/Location: Amended 4/20/15 – Assembly
Sponsor: Author
Subject: Business & Professions
Code Section: Business & Professions §7083

Summary:

As it pertains to the Contractors State License Board (CSLB), this bill amends a provision of the Contractors State License Law to clarify that a licensee has 90 days to report a change of address to CSLB.

Comments:

The Board approved this provision as a legislative proposal at its December 2014 meeting.

Business and Professions Code (B&P) sections 136 and 7083 conflict as to the timeframe in which a licensee must report a change of address to the Board. The sections read as follows:

B&P section 136.

(a) Each person holding a license, certificate, registration, permit, or other authority to engage in a profession or occupation issued by a board within the department shall notify the issuing board at its principal office of any change in his or her mailing address within 30 days after the change, unless the board has specified by regulations a shorter time period.

(b) Except as otherwise provided by law, failure of a licensee to comply with the requirement in subdivision (a) constitutes grounds for the issuance of a citation and administrative fine, if the board has the authority to issue citations and administrative fines.

B&P section 7083.

All licensees shall notify the registrar, on a form prescribed by the registrar, in writing within 90 days of any change to information recorded under this chapter. This notification requirement shall include, but not be limited to, changes in business address, personnel, business name, qualifying individual bond exemption pursuant to Section 7071.9, or exemption to qualify multiple licenses pursuant to Section 7068.1.

Failure of the licensee to notify the registrar of any change to information within 90 days shall cause the change to be effective the date the written notification is received at the board's headquarters office.

Failure to notify the registrar of the changes within the 90 days is grounds for disciplinary action.

Fiscal Impact for CSLB:

None.

Staff Recommendation and Comments:

SUPPORT. The Board previously approved this change, and it will reconcile a conflict in the law as to the timeframe in which a licensee must report a change of address.

Date: May 27, 2015

AMENDED IN SENATE APRIL 20, 2015

SENATE BILL

No. 799

Introduced by Committee on Business, Professions and Economic Development (Senators Hill (Chair), Bates, Berryhill, Block, Galgiani, Hernandez, Jackson, Mendoza, and Wieckowski)

March 18, 2015

An act to amend Sections 5070.1, 5087, 6735, 7083, 7200, 7200.5, 7200.7, 7201, 7202, 7208, 7209, 7209.5, 7210.5, 7211.1, 7211.2, 7215, 7215.5, 7217, 7685, 8508, 8513, 8552, 8611, and 17913 of, and to repeal Section 8516.5 of, the Business and Professions Code, and to amend Section 13995.40 of the Government Code, relating to business and professions.

LEGISLATIVE COUNSEL'S DIGEST

SB 799, as amended, Committee on Business, Professions and Economic Development. Business and professions.

(1) Existing law provides that an accountant whose license was canceled by operation of law, after nonrenewal, as specified, may, upon application to the board and meeting specified requirements, have his or her license placed into a retired status.

This bill would prohibit the California Board of Accountancy from restoring that license in retired status to active or inactive status and instead would require the individual to apply for a new license in order to restore his or her license.

(2) Existing law authorizes the California Board of Accountancy to issue a certified public account (CPA) license to an applicant who holds a valid and unrevoked CPA license in another state, under specified conditions.

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This bill would require that an out-of-state applicant hold a current, active, and unrestricted CPA license in order to be issued a CPA license under this provision.

(3) The Professional Engineers Act provides for the regulation and licensure of professional engineers by the Board for Professional Engineers, Land Surveyors, and Geologists. A violation of the licensing provisions of the act is a misdemeanor. Existing law requires all civil engineering plans, calculations, specifications, and reports to be prepared by, or under the responsible charge of, a licensed civil engineer, as specified. Existing law requires all civil engineering plans, calculations, specifications, and reports for the construction of all public school structures to be prepared by, or under the responsible charge of, a licensed architect or a licensed civil engineer who is also licensed as a structural engineer. Existing law requires all civil engineering plans, calculations, specifications, and reports for the construction of all hospitals and other medical facilities having surgery and emergency treatment areas to be prepared by, or under the responsible charge of, a licensed civil engineer who is also licensed as a structural engineer.

This bill would repeal the requirements that all civil engineering plans and other specified documents for construction of public school structures be prepared by, or under the responsible charge of, a licensed architect or a licensed civil engineer who is also licensed as a structural engineer. The bill would also repeal the requirements that all civil engineering plans and other specified documents for construction of specified hospital and medical facilities be prepared by, or under the responsible charge of, a licensed civil engineer who is also licensed as a structural engineer.

(4) Existing law establishes within the Department of Consumer Affairs a State Board of Guide Dogs for the Blind, which consists of 7 members appointed by the Governor. Existing law authorizes the board to issue licenses for guide dog training and instructional services. A violation of these licensing provisions is a misdemeanor.

This bill would also include dogs trained and provided for visually impaired persons within these licensing requirements. The bill would change reporting requirements from a calendar year to a fiscal year period and would make technical changes.

(5) Under the Funeral Directors and Embalmers Law, the Cemetery and Funeral Bureau regulates licensed funeral establishments and requires that they be operated by a licensed funeral director who is required to provide written information regarding funeral goods and

services and prices to consumers. Existing law requires a funeral establishment that maintains an Internet Web site to also post that information on its Internet Web site provided by a link from the homepage. A violation of these provisions is a misdemeanor.

This bill would require that the funeral establishment's Internet Web site contain specified key words.

(4)

(6) The California Constitution provides that laborers of every class who have worked upon or have furnished material for a property have a lien upon that property for the value of the labor done and material furnished. The California Constitution requires the Legislature to provide, by law, for the speedy and efficient enforcement of those liens. Existing law requires specified structural pest control operators to provide notice regarding possible liens, as specified, to the owner of property prior to entering into a contract to provide work on that property. A violation of these provisions is a misdemeanor.

This bill would extend the notice requirements to all structural pest control operators.

(5)

(7) Existing law requires a structural pest control operator to provide a report detailing the results of an inspection for wood destroying pests or organisms prior to commencing work on a contract or expressing an opinion regarding the presence or absence of wood destroying pests or organisms, to the Structural Pest Control Board, within the Department of Consumer Affairs, as specified. Existing law requires that the pest control operator deliver a copy of the report to the person requesting inspection, or designated agent, within 10 business days of the inspection. Existing law requires a pest control operator to deliver a copy of that report to the owner or the owner's agent within 10 working days of an inspection.

This bill would remove the requirement that the pest control operator provide the owner of the property or the owner's agent with a copy of the report, unless the owner was the person who requested the inspection.

(6)

(8) Existing law creates the California Travel and Tourism Commission and provides for the membership and meetings of the commission.

This bill would specify that all meetings of the commission take place in California and would authorize commissioners to attend meetings of

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the commission by conference telephone or other technology, as specified.

(7)

(9) Because this bill would expand the definition of a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5070.1 of the Business and Professions
2 Code is amended to read:

3 5070.1. (a) The board may establish, by regulation, a system
4 for the placement of a license into a retired status, upon application,
5 for certified public accountants and public accountants who are
6 not actively engaged in the practice of public accountancy or any
7 activity that requires them to be licensed by the board.

8 (b) No licensee with a license in a retired status shall engage in
9 any activity for which a permit is required.

10 (c) The board shall deny an applicant's application to place a
11 license in a retired status if the permit is subject to an outstanding
12 order of the board, is suspended, revoked, or otherwise punitively
13 restricted by the board, or is subject to disciplinary action under
14 this chapter.

15 (d) (1) The holder of a license that was canceled pursuant to
16 Section 5070.7 may apply for the placement of that license in a
17 retired status pursuant to subdivision (a).

18 (2) Upon approval of an application made pursuant to paragraph
19 (1), the board shall reissue that license in a retired status.

20 (3) The holder of a canceled license that was placed in retired
21 status between January 1, 1994, and January 1, 1999, inclusive,
22 shall not be required to meet the qualifications established pursuant
23 to subdivision (e), but shall be subject to all other requirements of
24 this section.

1 (e) The board shall establish minimum qualifications to place
2 a license in retired status.

3 (f) The board may exempt the holder of a license in a retired
4 status from the renewal requirements described in Section 5070.5.

5 (g) The board shall establish minimum qualifications for the
6 restoration of a license in a retired status to an active status. These
7 minimum qualifications shall include, but are not limited to,
8 continuing education and payment of a fee as provided in
9 subdivision (h) of Section 5134.

10 (h) The board shall not restore to active or inactive status a
11 license that was canceled by operation of law, pursuant to
12 subdivision (a) of Section 5070.7, and then placed into retired
13 status pursuant to subdivision (d). The individual shall instead
14 apply for a new license, as described in subdivision (c) of Section
15 5070.7, in order to restore his or her license.

16 SEC. 2. Section 5087 of the Business and Professions Code is
17 amended to read:

18 5087. (a) The board may issue a certified public accountant
19 license to any applicant who is a holder of a current, active, and
20 unrestricted certified public accountant license issued under the
21 laws of any state, if the board determines that the standards under
22 which the applicant received the license are substantially equivalent
23 to the standards of education, examination, and experience
24 established under this chapter and the applicant has not committed
25 acts or crimes constituting grounds for denial under Section 480.
26 To be authorized to sign reports on attest engagements, the
27 applicant shall meet the requirements of Section 5095.

28 (b) The board may in particular cases waive any of the
29 requirements regarding the circumstances in which the various
30 parts of the examination were to be passed for an applicant from
31 another state.

32 SEC. 3. Section 6735 of the Business and Professions Code is
33 amended to read:

34 6735. (a) All civil (including structural and geotechnical)
35 engineering plans, calculations, specifications, and reports
36 (hereinafter referred to as "documents") shall be prepared by, or
37 under the responsible charge of, a licensed civil engineer and shall
38 include his or her name and license number. Interim documents
39 shall include a notation as to the intended purpose of the document,
40 such as "preliminary," "not for construction," "for plan check

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1 only,^o or ^a for review only.^o All civil engineering plans and
2 speci@ications that are permitted or that are to be released for
3 construction shall bear the signature and seal or stamp of the
4 licensee and the date of signing and sealing or stamping. All @nal
5 civil engineering calculations and reports shall bear the signature
6 and seal or stamp of the licensee, and the date of signing and
7 sealing or stamping. If civil engineering plans are required to be
8 signed and sealed or stamped and have multiple sheets, the
9 signature, seal or stamp, and date of signing and sealing or
10 stamping shall appear on each sheet of the plans. If civil
11 engineering speci@ications, calculations, and reports are required
12 to be signed and sealed or stamped and have multiple pages, the
13 signature, seal or stamp, and date of signing and sealing or
14 stamping shall appear at a minimum on the title sheet, cover sheet,
15 or signature sheet.

16 (b) Notwithstanding subdivision (a), a licensed civil engineer
17 who signs civil engineering documents shall not be responsible
18 for damage caused by subsequent changes to or uses of those
19 documents, if the subsequent changes or uses, including changes
20 or uses made by state or local governmental agencies, are not
21 authorized or approved by the licensed civil engineer who
22 originally signed the documents, provided that the engineering
23 service rendered by the civil engineer who signed the documents
24 was not also a proximate cause of the damage.

25 SEC. 4. Section 7083 of the Business and Professions Code is
26 amended to read:

27 7083. (a) Notwithstanding any other law, licensees shall notify
28 the registrar, on a form prescribed by the registrar, in writing within
29 90 days of any change to information recorded under this chapter.
30 This noti@cation requirement shall include, but not be limited to,
31 changes in business address, personnel, business name, qualifying
32 individual bond exemption pursuant to Section 7071.9, or
33 exemption to qualify multiple licenses pursuant to Section 7068.1.

34 (b) Failure of the licensee to notify the registrar of any change
35 to information within 90 days shall cause the change to be effective
36 the date the written noti@cation is received at the board's
37 headquarters of@ce.

38 (c) Failure to notify the registrar of the changes within the 90
39 days is grounds for disciplinary action.

1 *SEC. 5. Section 7200 of the Business and Professions Code is*
 2 *amended to read:*

3 7200. (a) There is in the Department of Consumer Affairs a
 4 State Board of Guide Dogs for the Blind in whom enforcement of
 5 this chapter is vested. The board shall consist of seven members
 6 appointed by the Governor. One member shall be the Director of
 7 Rehabilitation or his or her designated representative. The
 8 remaining members shall be persons who have shown a particular
 9 interest in dealing with the problems of ~~the blind,~~ *persons who are*
 10 ~~blind or visually impaired~~ *and at least two of them shall be* ~~blind~~
 11 ~~persons~~ *persons who are blind or visually impaired* who use guide
 12 dogs.

13 (b) This section shall remain in effect only until January 1, 2018,
 14 and as of that date is repealed, unless a later enacted statute, that
 15 is enacted before January 1, 2018, deletes or extends that date.
 16 Notwithstanding any other law, the repeal of this section renders
 17 the board subject to review by the appropriate policy committees
 18 of the Legislature.

19 *SEC. 6. Section 7200.5 of the Business and Professions Code*
 20 *is amended to read:*

21 7200.5. The board shall have exclusive authority in this state
 22 to issue licenses for the instruction of ~~blind persons~~ *persons who*
 23 ~~are blind or visually impaired~~ *in the use of guide dogs and for the*
 24 ~~training of guide dogs for use by blind persons.~~ *persons who are*
 25 ~~blind or visually impaired.~~ *It shall also have exclusive authority*
 26 ~~in this state to issue licenses to operate schools for the training of~~
 27 ~~guide dogs for the blind,~~ *and the instruction of* ~~blind persons~~
 28 ~~persons who are blind or visually impaired~~ *in the use of guide*
 29 ~~dogs.~~

30 *SEC. 7. Section 7200.7 of the Business and Professions Code*
 31 *is amended to read:*

32 7200.7. A fee equal to no more than 0.005 of all school
 33 expenses incurred in the most recently concluded school ~~calendar~~
 34 ~~year,~~ *as specified in the audit required under Section 7217,*
 35 ~~shall be paid no later than April 30 of each year for renewal of a~~
 36 ~~school's license pursuant to Section 7200.5.~~ *The board shall, by*
 37 ~~regulation, determine the exact amount of the fee.~~ *All fees collected*
 38 ~~pursuant to this section shall be deposited into the Guide Dogs for~~
 39 ~~the Blind Fund, which is hereby created.~~

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1 *SEC. 8. Section 7201 of the Business and Professions Code is*
2 *amended to read:*

3 7201. No person shall be eligible to membership in the board
4 who is a stockholder in, or an owner of, or financially interested
5 directly or indirectly, in any company, organization, or concern
6 supplying, delivering, or furnishing any guide dogs for use by ~~the~~
7 *blind persons who are blind or visually impaired.*

8 *SEC. 9. Section 7202 of the Business and Professions Code is*
9 *amended to read:*

10 7202. Each of the appointed members of the board shall hold
11 office for a term of four years and until his successor is appointed
12 and qualified or until one year shall have elapsed since the
13 expiration of the term for which he was appointed, whichever first
14 occurs. No person shall serve as an appointed member of the board
15 for more than two consecutive terms, ~~but this provision shall not~~
16 ~~apply to any member in office at the time this provision takes~~
17 ~~effect.~~ *terms.*

18 *SEC. 10. Section 7208 of the Business and Professions Code*
19 *is amended to read:*

20 7208. Pursuant to the provisions of the Administrative
21 Procedure Act the board may make such rules and regulations as
22 are reasonably necessary to:

- 23 (a) Govern the procedure of the board.
- 24 (b) Govern the admission of applicants for examination for
25 license to instruct ~~blind persons~~ *persons who are blind or visually*
26 *impaired* in the use of guide dogs or to engage in the business of
27 training, selling, hiring, or being in the business of supplying guide
28 dogs for ~~the blind.~~ *persons who are blind or visually impaired.*
- 29 (c) Govern the operation of schools which furnish guide dogs
30 and train ~~blind persons~~ *persons who are blind or visually impaired*
31 to use guide dogs.
- 32 (d) The reissuance of licenses.
- 33 (e) The reexamination of licensees.

34 *SEC. 11. Section 7209 of the Business and Professions Code*
35 *is amended to read:*

36 7209. A person to be eligible for examination as an instructor
37 must ~~(1)~~ *(a)* have a knowledge of the special problems of ~~the blind~~
38 *persons who are blind or visually impaired* and how to teach them,
39 ~~(2)~~ *(b)* be able to demonstrate by actual blindfold test under traffic
40 conditions his ability to train guide dogs with whom a ~~blind person~~

1 ~~persons who are blind or visually impaired~~ would be safe, ~~(3)~~
 2 ~~(c)~~ be suited temperamentally and otherwise to instruct ~~blind~~
 3 ~~persons~~ *persons who are blind or visually impaired* in the use of
 4 guide dogs, and ~~(4)~~ ~~(d)~~ have had at least three years' actual
 5 experience, comprising such number of hours as the board may
 6 require, as an instructor, and have handled ~~twenty-two (22)~~
 7 ~~man-dog~~ *22 person-dog* units; or its equivalent, as determined by
 8 the board, as an apprentice under a licensed instructor or under an
 9 instructor in a school satisfactory to the board.

10 *SEC. 12. Section 7209.5 of the Business and Professions Code*
 11 *is amended to read:*

12 7209.5. Except as the context otherwise requires, as used in
 13 this chapter the term ^ainstructor^o means a person who instructs
 14 ~~blind persons~~ *persons who are blind or visually impaired* in the
 15 use of guide dogs or who engages in the business of training,
 16 selling, hiring, or supplying guide dogs for ~~the blind~~. *persons who*
 17 *are blind or visually impaired.*

18 *SEC. 13. Section 7210.5 of the Business and Professions Code*
 19 *is amended to read:*

20 7210.5. It is unlawful to solicit funds for any person purporting
 21 to provide guide dogs for ~~the blind~~ *persons who are blind or*
 22 *visually impaired* in this state unless the person for whose bene@t
 23 the solicitation is made holds a valid and unimpaired license issued
 24 by the State Board of Guide Dogs for the Blind.

25 As used in this section ^aperson^o means an individual, @rm,
 26 partnership, association, corporation, limited liability company,
 27 or cooperative association.

28 *SEC. 14. Section 7211.1 of the Business and Professions Code*
 29 *is amended to read:*

30 7211.1. (a) As a condition of renewal of an instructor's license,
 31 the instructor shall provide proof of completion of not less than 8
 32 hours of continuing education. The board shall determine the form
 33 of proof.

34 (b) Continuing education shall meet the criteria speci@d in
 35 Section 166, and shall be in one or more of the following subject
 36 matter areas:

- 37 (1) Blindness and mobility.
- 38 (2) Health issues relating to blindness.
- 39 (3) ~~Instructing blind persons~~. *persons who are blind or visually*
 40 *impaired.*

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1 (4) Care and training of dogs.

2 ~~(e) This section shall apply to renewal of instructors' licenses~~
3 ~~which expire on or after June 30, 1996.~~

4 *SEC. 15. Section 7211.2 of the Business and Professions Code*
5 *is amended to read:*

6 7211.2. A plea or verdict of guilty or a conviction following a
7 plea of nolo contendere is deemed to be a conviction within the
8 meaning of this article. The board may order the license suspended
9 or revoked, or may decline to issue a license, when the time for
10 appeal has elapsed, or the judgment of conviction has been affirmed
11 on appeal or when an order granting probation is made suspending
12 the imposition of sentence, irrespective of a subsequent order under
13 the provisions of Section 1203.4 of the Penal Code allowing such
14 person to withdraw his or her plea of guilty and to enter a plea of
15 not guilty, or setting aside the verdict of guilty, or dismissing the
16 accusation, information or indictment.

17 *SEC. 16. Section 7215 of the Business and Professions Code*
18 *is amended to read:*

19 7215. No person shall sell, give, or furnish any guide dog to a
20 ~~blind person~~ *person who is blind or visually impaired* unless the
21 following requirements have been met:

22 (a) The dog has been immunized against distemper and rabies.

23 (b) The dog has been spayed or neutered.

24 (c) The dog has been examined by a licensed veterinarian and
25 found to be in good health.

26 A certificate from a veterinarian certifying to the foregoing shall
27 be delivered to the recipient of the dog at the time the dog is
28 assigned to a client.

29 *SEC. 17. Section 7215.5 of the Business and Professions Code*
30 *is amended to read:*

31 7215.5. During the first year following the successful training
32 of each person-dog unit, and release from a guide dog training
33 school of the trained person supplied with a guide dog, the school
34 may retain title to the trained dog. During this probationary year,
35 the school may enter into a contractual agreement with the user of
36 the dog describing the conditions under which the user may
37 maintain the status of legal custodian of the dog. During the
38 probationary year, the school, acting in what it deems to be the
39 best interest of the user, the dog, or the public, may temporarily
40 or permanently resume possession of the dog.

1 Within 15 days after the end of each ~~calendar~~ *scal* year, each
 2 licensed school shall report to the board the following:

3 (1) The number of dog ownership titles transferred to dog users
 4 pursuant to this section during the calendar year.

5 (2) The number of title recoveries and repossessions made by
 6 the school pursuant to this section during the calendar year.

7 (3) The number, type, and amount of charges assessed for
 8 followup training, instruction, veterinary, or boarding services,
 9 pursuant to this section, which make a distinction between users
 10 who have acquired title to their dogs and users who have not
 11 acquired title.

12 (4) The views of the governing entity of the school as to any
 13 problems or concerns relative to compliance with the provisions
 14 of this section, along with recommendations for appropriate
 15 legislative or administrative changes commensurate with the
 16 purposes of this section.

17 Immediately upon completion of the ~~first~~ *rst* year following the
 18 successful training referred to above, if the training school and the
 19 dog user are mutually satisfi@d with the operation of the person-dog
 20 unit, title to the dog shall be transferred to the ~~blind~~ *user who is*
 21 *blind or visually impaired* if the user so desires. Transfer of title
 22 shall be evidenced by a transfer of title agreement executed by
 23 both parties thereto. The school may retain an option to recover
 24 title and possession to the guide dog subject to conditions described
 25 in the transfer of title agreement. These conditions may include,
 26 but are not limited to, the following:

27 (1) If in the school's opinion, the guide dog is being misused
 28 or neglected or mistreated by its ~~blind user~~ *user who is blind or*
 29 *visually impaired*.

30 (2) If the ~~blind person~~ *user* to whom the dog was furnished has
 31 ceased to use the dog as a guide and the dog is not too old to be
 32 retrained as a guide for another ~~blind person~~ *person who is blind*
 33 *or visually impaired*.

34 (3) If, in the school's opinion, the dog is no longer a safe guide
 35 and the user refuses to cease using the dog as a guide after being
 36 requested by the school to cease this use.

37 The guide dog school shall make no distinction as to the quality
 38 or extent of followup or supportive services available to its blind
 39 graduates based on whether they elect to acquire title to their dogs
 40 or allow title to remain with the school after the probationary year.

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1 The school may, however, make this distinction when assessing
2 reasonable and appropriate charges for followup training,
3 instruction, veterinary, or boarding services.

4 No applicant for admission to a guide dog training school, nor
5 any enrolled student, shall be required by the school prior to
6 completion of his or her training to sign any instrument or to
7 announce his or her intention regarding transfer of title of the dog
8 from the school to himself or herself upon completion of the
9 training and probation period.

10 *SEC. 18. Section 7217 of the Business and Professions Code*
11 *is amended to read:*

12 7217. (a) Within 60 days after the end of a calendar year or
13 after the termination of the fiscal year of a school, there shall be
14 furnished to the board the following:

15 (1) A list of students accepted for training and those who have
16 completed training.

17 (2) A list of the number of dogs trained.

18 (b) Within 90 days after the end of a calendar fiscal year, there
19 shall be furnished to the board an independent audit of the school's
20 finances by a certified public accountant licensed by this state.

21 *SEC. 19. Section 7685 of the Business and Professions Code*
22 *is amended to read:*

23 7685. (a) (1) Every funeral director shall provide to any
24 person, upon beginning discussion of prices or of the funeral goods
25 and services offered, a written or printed list containing, but not
26 necessarily limited to, the price for professional services offered,
27 which may include the funeral director's services, the preparation
28 of the body, the use of facilities, and the use of automotive
29 equipment. All services included in this price or prices shall be
30 enumerated. The funeral director shall also provide a statement on
31 that list that gives the price range for all caskets offered for sale.

32 (2) The list shall also include a statement indicating that the
33 survivor of the deceased who is handling the funeral arrangements,
34 or the responsible party, is entitled to receive, prior to the drafting
35 of any contract, a copy of any preneed agreement that has been
36 signed and paid for, in full or in part, by or on behalf of the
37 deceased, and that is in the possession of the funeral establishment.

38 (3) The funeral director shall also provide a written statement
39 or list that, at a minimum, specifically identifies a particular casket
40 or caskets by price and by thickness of metal, or type of wood, or

1 other construction, interior and color, in addition to other casket
 2 identification requirements under Part 453 of Title 16 of the Code
 3 of Federal Regulations and any subsequent version of this
 4 regulation, when a request for specific information on a casket or
 5 caskets is made in person by any individual. Prices of caskets and
 6 other identifying features such as thickness of metal, or type of
 7 wood, or other construction, interior and color, in addition to other
 8 casket identification requirements required to be given over the
 9 telephone by Part 453 of Title 16 of the Code of Federal
 10 Regulations and any subsequent version of this regulation, shall
 11 be provided over the telephone, if requested.

12 (b) (1) Each licensed funeral establishment that maintains an
 13 Internet Web site shall post on its Internet Web site the list of
 14 funeral goods and services that are required to be included in the
 15 establishment's general price list, pursuant to federal rule, and a
 16 statement that the general price list is available upon request.

17 (2) Information posted pursuant to paragraph (1) shall be
 18 provided by a link from the ~~home page~~ *homepage* of the Internet
 19 ~~Web site. site with a word or combination of words, including, but~~
 20 ~~not limited to, "goods," "merchandise," "products," or~~
 21 ~~"services."~~

22 (3) An establishment that posts on its Internet Web site home
 23 page the words "price information" or a similar phrase that includes
 24 the word "price," with a link that leads to the establishment's
 25 general price list, need not comply with paragraphs (1) or (2).

26 (4) Nothing in this subdivision shall be construed to affect an
 27 establishment's obligations under federal or state law effective
 28 prior to January 1, 2013.

29 (5) This subdivision shall become operative on January 1, 2013.
 30 ~~SEC. 5.~~

31 *SEC. 20.* Section 8508 of the Business and Professions Code
 32 is amended to read:

33 8508. "Household" means any structure and its contents that
 34 are used for persons and their convenience.

35 ~~SEC. 6.~~

36 *SEC. 21.* Section 8513 of the Business and Professions Code
 37 is amended to read:

38 8513. (a) The board shall prescribe a form entitled "Notice to
 39 Owner" that shall describe, in nontechnical language and in a clear
 40 and coherent manner using words with common and everyday

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1 meaning, the pertinent provisions of this state's mechanics lien
2 laws and the rights and responsibilities of an owner of property
3 and a registered pest control company thereunder. Each company
4 registered under this chapter, prior to entering into a contract with
5 an owner for work for which a company registration is required,
6 shall give a copy of this ^aNotice to Owner^o to the owner, his or
7 her agent, or the payer.

8 (b) No company that is required to be registered under this
9 chapter shall require or request a waiver of lien rights from any
10 subcontractor, employee, or supplier.

11 (c) Each company registered under this chapter that acts as a
12 subcontractor for another company registered under this chapter
13 shall, within 20 days of commencement of any work for which a
14 company registration is required, give the preliminary notice in
15 accordance with Chapter 2 (commencing with Section 8200) of
16 Title 2 of Part 6 of Division 4 of the Civil Code, to the owner, his
17 or her agent, or the payer.

18 (d) Each company registered under this chapter that acts as a
19 prime contractor for work for which a company registration is
20 required shall, prior to accepting payment for the work, furnish to
21 the owner, his or her agent, or the payer a full and unconditional
22 release from any claim of mechanics lien by any subcontractor
23 entitled to enforce a mechanics lien pursuant to Section 8410 of
24 the Civil Code.

25 (e) Each company registered under this chapter that subcontracts
26 to another company registered under this chapter work for which
27 a company registration is required shall furnish to the subcontractor
28 the name of the owner, his or her agent, or the payer.

29 (f) A violation of the provisions of this section is a ground for
30 disciplinary action.

31 ~~SEC. 7.~~

32 *SEC. 22.* Section 8516.5 of the Business and Professions Code
33 is repealed.

34 ~~SEC. 8.~~

35 *SEC. 23.* Section 8552 of the Business and Professions Code
36 is amended to read:

37 8552. It is unlawful for any person to advertise or represent in
38 any manner that any pest control work, in whole or in part, has
39 been done upon any structure, unless the work has been performed

1 by a registered company, except as otherwise provided in this
2 chapter.

3 ~~SEC. 9.~~

4 SEC. 24. Section 8611 of the Business and Professions Code
5 is amended to read:

6 8611. (a) Each branch of@ce shall have a branch supervisor
7 designated by the registered company to supervise and assist the
8 company's employees who are located at that branch. The branch
9 supervisor shall be an individual who is licensed by the board as
10 an operator or a @eld representative in the branch or branches of
11 business being conducted and his or her license shall be
12 prominently displayed in the branch of@ce.

13 (b) If a branch supervisor ceases for any reason to be connected
14 with a registered company, the company shall notify the registrar
15 in writing within 10 days from that cessation. If this notice is given,
16 the company's branch of@ce registration shall remain in force for
17 a reasonable length of time to be determined by rules of the board,
18 during which period the company shall submit to the registrar in
19 writing the name of another quali@d branch supervisor.

20 ~~SEC. 10.~~

21 SEC. 25. Section 17913 of the Business and Professions Code
22 is amended to read:

23 17913. (a) The @ctitious business name statement shall contain
24 all of the information required by this subdivision and shall be
25 substantially in the following form:

26
27 FICTITIOUS BUSINESS NAME STATEMENT

28 The following person (persons) is (are) doing business as

29 * _____

30 at ** _____:

31 *** _____

32 _____

33 _____

34 _____

35 This business is conducted by **** _____

36 The registrant commenced to transact business under the @ctitious business
37 name or names listed above on

38 ***** _____

39 I declare that all information in this statement is true and correct. (A registrant
40 who declares as true any material matter pursuant to Section 17913 of the

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1 Business and Professions Code that the registrant knows to be false is guilty
2 of a misdemeanor punishable by a fine not to exceed one thousand dollars
3 (\$1,000.)

4 Registrant signature _____
5 Statement filed with the County Clerk of _____ County on _____
6

7 NOTICED IN ACCORDANCE WITH SUBDIVISION (a) OF
8 SECTION 17920, A FICTITIOUS NAME STATEMENT
9 GENERALLY EXPIRES AT THE END OF FIVE YEARS FROM
10 THE DATE ON WHICH IT WAS FILED IN THE OFFICE OF
11 THE COUNTY CLERK, EXCEPT, AS PROVIDED IN
12 SUBDIVISION (b) OF SECTION 17920, WHERE IT EXPIRES
13 40 DAYS AFTER ANY CHANGE IN THE FACTS SET FORTH
14 IN THE STATEMENT PURSUANT TO SECTION 17913
15 OTHER THAN A CHANGE IN THE RESIDENCE ADDRESS
16 OF A REGISTERED OWNER. A NEW FICTITIOUS BUSINESS
17 NAME STATEMENT MUST BE FILED BEFORE THE
18 EXPIRATION.

19 THE FILING OF THIS STATEMENT DOES NOT OF ITSELF
20 AUTHORIZE THE USE IN THIS STATE OF A FICTITIOUS
21 BUSINESS NAME IN VIOLATION OF THE RIGHTS OF
22 ANOTHER UNDER FEDERAL, STATE, OR COMMON LAW
23 (SEE SECTION 14411 ET SEQ., BUSINESS AND
24 PROFESSIONS CODE).

25
26 (b) The fictitious business name statement shall contain the
27 following information set forth in the manner indicated in the form
28 provided by subdivision (a):

29 (1) Where the asterisk (*) appears in the form, insert the
30 fictitious business name or names. Only those businesses operated
31 at the same address and under the same ownership may be listed
32 on one fictitious business name statement.

33 (2) Where the two asterisks (**) appear in the form: If the
34 registrant has a place of business in this state, insert the street
35 address, and county, of his or her principal place of business in
36 this state. If the registrant has no place of business in this state,
37 insert the street address, and county, of his or her principal place
38 of business outside this state.

39 (3) Where the three asterisks (***) appear in the form: If the
40 registrant is an individual, insert his or her full name and residence

1 address. If the registrants are a married couple, insert the full name
 2 and residence address of both parties to the marriage. If the
 3 registrant is a general partnership, copartnership, joint venture, or
 4 limited liability partnership, insert the full name and residence
 5 address of each general partner. If the registrant is a limited
 6 partnership, insert the full name and residence address of each
 7 general partner. If the registrant is a limited liability company,
 8 insert the name and address of the limited liability company, as
 9 set out in its articles of organization on file with the California
 10 Secretary of State, and the state of organization. If the registrant
 11 is a trust, insert the full name and residence address of each trustee.
 12 If the registrant is a corporation, insert the name and address of
 13 the corporation, as set out in its articles of incorporation on file
 14 with the California Secretary of State, and the state of
 15 incorporation. If the registrants are state or local registered
 16 domestic partners, insert the full name and residence address of
 17 each domestic partner. If the registrant is an unincorporated
 18 association other than a partnership, insert the name of each person
 19 who is interested in the business of the association and whose
 20 liability with respect to the association is substantially the same
 21 as that of a general partner.

22 (4) Where the four asterisks (****) appear in the form, insert
 23 whichever of the following best describes the nature of the
 24 business: (i) ^a an individual,^o (ii) ^a a general partnership,^o (iii) ^a a
 25 limited partnership,^o (iv) ^a a limited liability company,^o (v) ^a an
 26 unincorporated association other than a partnership,^o (vi) ^a a
 27 corporation,^o (vii) ^a a trust,^o (viii) ^a copartners,^o (ix) ^a a married
 28 couple,^o (x) ^a joint venture,^o (xi) ^a state or local registered domestic
 29 partners,^o or (xii) ^a a limited liability partnership.^o

30 (5) Where the five asterisks (*****) appear in the form, insert
 31 the date on which the registrant first commenced to transact
 32 business under the fictitious business name or names listed, if
 33 already transacting business under that name or names. If the
 34 registrant has not yet commenced to transact business under the
 35 fictitious business name or names listed, insert the statement, ^a Not
 36 applicable.^o

37 (c) The registrant shall declare that all of the information in the
 38 fictitious business statement is true and correct. A registrant who
 39 declares as true any material matter pursuant to this section that

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1 the registrant knows to be false is guilty of a misdemeanor
2 punishable by a fine not to exceed one thousand dollars (\$1,000).

3 (d) (1) At the time of filing of the fictitious business name
4 statement, the registrant filing on behalf of the registrant shall
5 present personal identification in the form of a California driver's
6 license or other government identification acceptable to the county
7 clerk to adequately determine the identity of the registrant filing
8 on behalf of the registrant as provided in subdivision (e) and the
9 county clerk may require the registrant to complete and sign an
10 affidavit of identity.

11 (2) In the case of a registrant utilizing an agent for submission
12 of the registrant's fictitious business name statement for filing, at
13 the time of filing of the fictitious business name statement, the
14 agent filing on behalf of the registrant shall present personal
15 identification in the form of a California driver's license or other
16 government identification acceptable to the county clerk to
17 adequately determine the identity of the agent filing on behalf of
18 the registrant as provided in subdivision (e). The county clerk may
19 also require the agent to submit a notarized statement signed by
20 the registrant declaring the registrant has authorized the agent to
21 submit the filing on behalf of the registrant.

22 (e) If the registrant is a corporation, a limited liability company,
23 a limited partnership, or a limited liability partnership, the county
24 clerk may require documentary evidence issued by the California
25 Secretary of State and deemed acceptable by the county clerk,
26 indicating the current existence and good standing of that business
27 entity to be attached to a completed and notarized affidavit of
28 identity, for purposes of subdivision (d).

29 (f) The county clerk may require a registrant that mails a
30 fictitious business name statement to a county clerk's office for
31 filing to submit a completed and notarized affidavit of identity. A
32 registrant that is a corporation, limited liability company, limited
33 partnership, or limited liability partnership, if required by the
34 county clerk to submit an affidavit of identity, shall also submit
35 documentary evidence issued by the California Secretary of State
36 indicating the current existence and good standing of that business
37 entity.

38 (g) A county clerk that chooses to establish procedures pursuant
39 to this section shall prescribe the form of affidavit of identity for
40 filing by a registrant in that county.

1 ~~SEC. 11.~~

2 *SEC. 26.* Section 13995.40 of the Government Code is
3 amended to read:

4 13995.40. (a) Upon approval of the initial referendum, the
5 of@ce shall establish a nonpro@t mutual bene@t corporation named
6 the California Travel and Tourism Commission. The commission
7 shall be under the direction of a board of commissioners, which
8 shall function as the board of directors for purposes of the
9 Nonpro@t Corporation Law.

10 (b) The board of commissioners shall consist of 37
11 commissioners comprising the following:

12 (1) The director, who shall serve as chairperson.

13 (2) (A) Twelve members, who are professionally active in the
14 tourism industry, and whose primary business, trade, or profession
15 is directly related to the tourism industry, shall be appointed by
16 the Governor. Each appointed commissioner shall represent only
17 one of the 12 tourism regions designated by the of@ce, and the
18 appointed commissioners shall be selected so as to represent, to
19 the greatest extent possible, the diverse elements of the tourism
20 industry. Appointed commissioners are not limited to individuals
21 who are employed by or represent assessed businesses.

22 (B) If an appointed commissioner ceases to be professionally
23 active in the tourism industry or his or her primary business, trade,
24 or profession ceases to be directly related to the tourism industry,
25 he or she shall automatically cease to be an appointed
26 commissioner 90 days following the date on which he or she ceases
27 to meet both of the eligibility criteria speci@ed in subparagraph
28 (A), unless the commissioner becomes eligible again within that
29 90-day period.

30 (3) Twenty-four elected commissioners, including at least one
31 representative of a travel agency or tour operator that is an assessed
32 business.

33 (c) The commission established pursuant to Section 15364.52
34 shall be inoperative so long as the commission established pursuant
35 to this section is in existence.

36 (d) Elected commissioners shall be elected by industry category
37 in a referendum. Regardless of the number of ballots received for
38 a referendum, the nominee for each commissioner slot with the
39 most weighted votes from assessed businesses within that industry
40 category shall be elected commissioner. In the event that an elected

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1 commissioner resigns, dies, or is removed from office during his
2 or her term, the commission shall appoint a replacement from the
3 same industry category that the commissioner in question
4 represented, and that commissioner shall fill the remaining term
5 of the commissioner in question. The number of commissioners
6 elected from each industry category shall be determined by the
7 weighted percentage of assessments from that category.

8 (e) The director may remove any elected commissioner
9 following a hearing at which the commissioner is found guilty of
10 abuse of office or moral turpitude.

11 (f) (1) The term of each elected commissioner shall commence
12 July 1 of the year next following his or her election, and shall
13 expire on June 30 of the fourth year following his or her election.
14 If an elected commissioner ceases to be employed by or with an
15 assessed business in the category and segment which he or she
16 was representing, his or her term as an elected commissioner shall
17 automatically terminate 90 days following the date on which he
18 or she ceases to be so employed, unless, within that 90-day period,
19 the commissioner again is employed by or with an assessed
20 business in the same category and segment.

21 (2) Terms of elected commissioners that would otherwise expire
22 effective December 31 of the year during which legislation adding
23 this subdivision is enacted shall automatically be extended until
24 June 30 of the following year.

25 (g) With the exception of the director, no commissioner shall
26 serve for more than two consecutive terms. For purposes of this
27 subdivision, the phrase "two consecutive terms" shall not include
28 partial terms.

29 (h) Except for the original commissioners, all commissioners
30 shall serve four-year terms. One-half of the commissioners
31 originally appointed or elected shall serve a two-year term, while
32 the remainder shall serve a four-year term. Every two years
33 thereafter, one-half of the commissioners shall be appointed or
34 elected by referendum.

35 (i) The selection committee shall determine the initial slate of
36 candidates for elected commissioners. Thereafter the
37 commissioners, by adopted resolution, shall nominate a slate of
38 candidates, and shall include any additional candidates complying
39 with the procedure described in Section 13995.62.

1 (j) The commissioners shall elect a vice chairperson from the
2 elected commissioners.

3 (k) The commission may lease space from the office.

4 (l) The commission and the office shall be the official state
5 representatives of California tourism.

6 (m) (1) All commission meetings shall be held in California.

7 (2) Commissioners may participate in meetings by means of
8 conference telephone and other technology, as authorized pursuant
9 to paragraph (6) of subdivision (a) of Section 7211 of the
10 Corporations Code.

11 (n) No person shall receive compensation for serving as a
12 commissioner, but each commissioner shall receive reimbursement
13 for reasonable expenses incurred while on authorized commission
14 business.

15 (o) Assessed businesses shall vote only for commissioners
16 representing their industry category.

17 (p) Commissioners shall comply with the requirements of the
18 Political Reform Act of 1974 (Title 9 (commencing with Section
19 81000)). The Legislature finds and declares that commissioners
20 appointed or elected on the basis of membership in a particular
21 tourism segment are appointed or elected to represent and serve
22 the economic interests of those tourism segments and that the
23 economic interests of these members are the same as those of the
24 public generally.

25 (q) Commission meetings shall be subject to the requirements
26 of the Bagley-Keene Open Meeting Act (Article 9 (commencing
27 with Section 11120) of Chapter 1 of Part 1).

28 (r) The executive director of the commission shall serve as
29 secretary to the commission, a nonvoting position, and shall keep
30 the minutes and records of all commission meetings.

31 ~~SEC. 12.~~

32 *SEC. 27.* No reimbursement is required by this act pursuant
33 to Section 6 of Article XIII B of the California Constitution because
34 the only costs that may be incurred by a local agency or school
35 district will be incurred because this act creates a new crime or
36 infraction, eliminates a crime or infraction, or changes the penalty
37 for a crime or infraction, within the meaning of Section 17556 of
38 the Government Code, or changes the definition of a crime within

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1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.

O

AGENDA ITEM I

Review and Discussion Regarding Business and Professions Code Section 7031





CONTRACTORS STATE LICENSE BOARD

BUSINESS & PROFESSIONS CODE SECTION 7031

Business and Professions Code Section 7031

Significant discussion occurred during the April 27, 2015, Legislative Committee meeting regarding whether or not to include revisions to Business & Professions (B&P) Code section 7031 as a Board objective. Below is a brief background for the Board's review.

In 2013, CSLB sponsored SB 263 (Monning) to modify Business & Professions Code 7031. Specifically, this bill would have repealed the existing section and replaced it with provisions that would still have required a contractor to be licensed at all times, but would have allowed a court to determine that a contractor had substantially complied with the licensing requirement if he or she was licensed when the contract was signed, but subsequently performed work either outside his or her classification, under a suspended license, or under an expired or inactive license. A contractor meeting these criteria could have sought payment for the work performed only when he or she was properly licensed.

However, CSLB did not succeed in pursuing this change, as the Senate Judiciary Committee requested removal of the amendments to B&P Code section 7031. Committee staff raised concerns about any change that they perceived as weakening the existing consumer protections provided by B&P Code section 7031. While Committee staff realized the potential severity of the penalties related to this section of law, they believe it enforces the importance of contractors maintaining their license at all times. To consider the proposed change, Committee staff requested examples of problems with the current law that would be remedied by the proposed amendments.

AGENDA ITEM J

Executive



AGENDA ITEM J-1

Review and Possible Approval of March 16, 2015 Board Meeting Minutes





CONTRACTORS STATE LICENSE BOARD

BOARD MEETING MINUTES

Monday, March 16, 2015

A. CALL TO ORDER – ESTABLISHMENT OF QUORUM

Board Chair David Dias called the meeting of the Contractors State License Board (CSLB) to order at 9:00 a.m. on Monday, March 16, 2015, in the Salon 1–3 Room at the Hilton Hotel, 100 West Glenoaks Blvd., Glendale, CA 91202. A quorum was established.

Board Member Augie Beltran led the Board in the Pledge of Allegiance.

Board Members Present

David Dias, Chair

Ed Lang, Vice Chair

Augie Beltran, Secretary

Paul Schifino

Joan Hancock

Johnny Simpson

Frank Schetter

Kevin J. Albanese

Pastor Herrera Jr.

Linda Clifford

Susan Granzella

Nancy Springer

Board Members Excused

Bob Lamb

CSLB Staff Present

Cindi Christenson, Registrar

Rick Lopes, Chief of Public Affairs

Karen Robinson, Chief of Licensing

Laura Zuniga, Chief of Legislation

Cindy Kanemoto, Chief of IT

Keith Kun, IT Staff

David Fogt, Chief of Enforcement

Cesar Victoria, DCA Staff

Erin Echard, Executive Assistant

Kurt Heppler, Legal Counsel

Kristy Schieldge, Legal Counsel

Public Visitors

Rick Pires

Phil Vermeulen

Javeed Amirie

Minda Hoffman

Ayilon Gilade

Matt Shields

Ken Grossbart

Eric Crandall

Karl F. Schmidt

B. CHAIR’S INTRODUCTORY REMARKS AND BOARD MEMBER COMMENTS

Board Chair David Dias welcomed new Board member Johnny Simpson and new attorney Kristy Schieldge. Mr. Dias also congratulated Cindi Christenson on her appointment as Registrar.

C. PUBLIC COMMENT SESSION – ITEMS NOT ON THE AGENDA

Contractor applicant Javeed Amirie addressed the Board about his frustration with CSLB’s work experience verification process. Given the nature of his public comment,



Mr. Amirie was asked to speak to Chief of Licensing Karen Robinson outside of the meeting room. A conversation followed among Board members and legal counsel about what can and cannot be discussed during the public comment session regarding administrative action.

D. REVIEW AND APPROVAL OF DECEMBER 11, 2014 AND DECEMBER 16, 2014 BOARD MEETING MINUTES

Motion to Approve the December 11, 2014 Board Meeting Minutes

MOTION: A motion was made by Board Member Augie Beltran and seconded by Board Member Paul Schifino to approve the December 11, 2014, Board Meeting Minutes. The motion carried unanimously, 12-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb				X	
Ed Lang	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

Motion to Approve the December 16, 2014, Board Meeting Minutes

MOTION: A motion was made by Board Member Augie Beltran and seconded by Board Member Paul Schifino to approve the December 16, 2014, Board Meeting Minutes. The motion carried unanimously, 12-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb				X	
Ed Lang	X				
Frank Schetter	X				



Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

E. APPOINTMENT OF NOMINATIONS COMMITTEE

Board Chair David Dias informed the Board that Joan Hancock and Bob Lamb will present the slate of officers for the upcoming year at the June 2015 Board meeting.

F. ENFORCEMENT

1. Review and Approval of February 20, 2015 Enforcement Committee Meeting Summary Report

Motion to Approve the February 20, 2015 Enforcement Committee Meeting Summary Report

MOTION: A motion was made by Board Member Joan Hancock and seconded by Board Member Pastor Herrera Jr. to approve the February 20, 2015 Enforcement Committee Meeting Summary Report. The motion carried unanimously, 12-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb				X	
Ed Lang	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

2. Enforcement Program Update

Chief of Enforcement David Fogt presented highlights from the Intake and Mediation Center, Investigative Centers, Case Management, Statewide Investigative Fraud Team, as well as general complaint-handling statistics. Mr. Fogt also provided an update on training for peace officers.

3. Predatory Service and Repair Task Force Update

Chief of Enforcement David Fogt confirmed, per the Board’s recommendation to identify predatory service and repair contractors, the formation of a task force that



actively works with industry partners and local prosecutors to investigate and prosecute persons committing criminal violations.

The Enforcement division launched the HVAC (Heating, Ventilation and Air Conditioning) Ambassador program on March 2, 2015. Concerns were raised regarding use of the CSLB logo on the introductory letter designed so that participating contractors can customize it when presenting the Ambassador Program to their customers. It was agreed to revise the proposed letter and remove the CSLB logo. It was further recommended that the letter include additional language clarifying that CSLB is not endorsing the contractor, but providing consumer protection tips.

4. Review, Discussion and Possible Action Regarding Recommendation to Establish Operational Agreements with Building Departments

Chief of Enforcement David Fogt informed the Board that in 2014 more than 400 administrative actions were taken against contractors for building permit violations, approximately 200 of which resulted from standalone complaints filed using the CSLB "Building Permit Complaint" form. This form allows consumers, government agencies, and law-abiding contractors to file a complaint against any contractor who has performed work without the required permit. Staff has found that some building departments are reluctant to provide CSLB with information about the code ordinances specific to a given jurisdiction and/or to provide an inspector to testify that the contractor failed to obtain the appropriate permit, inhibiting prosecutions. To facilitate CSLB cooperation with local building departments to pursue permit violators Mr. Fogt recommended that the Board consider authorizing CSLB to enter into operational agreements with participating building departments. Board Member Nancy Springer shared feedback from building officials who recommended that local city councils or board of supervisor adopt such operational agreements by resolution.

Motion to Approve Operational Agreements with Partnering Building Departments

MOTION: A motion was made by Board Member Augie Beltran and seconded by Board Member Kevin J. Albanese to approve in concept that staff pursue Operational Agreements with Partnering Building Departments by resolution rather than by a signed memorandum of understanding. The motion carried unanimously, 12-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford	X				
David Dias	X				
Susan Granzella	X				



Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb				X	
Ed Lang	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

G. LICENSING

1. Licensing Program Update

Chief of Licensing Karen Robinson provided updates on the application workload, workers’ compensation, criminal background, licensing information center, renewal, bond, and judgment units. Ms. Robinson shared statistics on the experience verification unit, which was transferred from the Enforcement division to the Licensing division in 2014. Ms. Robinson also noted that on January 10, 2015, CSLB issued license number 1,000,000 to a tree service company in Norwalk.

2. Testing Program Update

Ms. Robinson provided highlights from both the examination administration and examination development units.

H. PUBLIC AFFAIRS

1. Public Affairs Program Update

Chief of Public Affairs Rick Lopes provided an analytical breakdown of the location of CSLB website viewers and the type of device utilized to view the site; updated the Board on social media statistics; and reviewed media relations highlights. The *2014 Accomplishments & Activities Report* and *2015 California Contractors License Law & Reference Books* are complete. Also, Public Affairs is recruiting a new information officer and, on March 10, 2015, the 400th Senior Scam StopperSM seminar took place in San Diego.

I. LEGISLATIVE

1. Review, Discussion and Possible Action Regarding New Legislative Proposal to Authorize Sharing of Licensee Information with the Employment Development Department

Motion to Approve Proposal Authorizing Sharing of Licensee Information with the Employment Development Department



MOTION: A motion was made by Board Member Ed Lang and seconded by Board Member Paul Schifino to approve the Proposal Authorizing Sharing of Licensee Information with the Employment Development Department. The motion carried unanimously, 12-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb				X	
Ed Lang	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

2. Review and Approval of the February 20, 2015 Legislative Committee Summary Report

Motion to Approve the February 20, 2015 Legislative Committee Summary Report

MOTION: A motion was made by Board Member Augie Beltran and seconded by Board Member Pastor Herrera Jr. to approve the February 20, 2015 Legislative Committee Summary Report. The motion carried unanimously, 12-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb				X	
Ed Lang	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				



3. Review, Discussion and Possible Action of Recommended Position on AB 750, AB 1060, SB 119, SB 465, SB 560, SB 561

- AB 750 (Low) – “Watch”
- AB 1060 (Bonilla) – “Watch”
- SB 119 (Hill) – Referred back to the Legislative Committee for further discussion
- SB 465 (Hill) – “Support”
- SB 560 (Monning) – “Support”
- SB 561 (Monning) – “Support,” with amended language

4. Legislative Program Update

There was no Legislative program update.

5. Review, Discussion and Possible Action Regarding 2015 Legislative Proposals:

a. Amendment to Business and Professions Code section 7011.4 – Notice to Appear Authority

The bill language was discussed and is included in SB 560 (Monning).

b. Amendment to Business and Professions Code section 7028.6 – Authority to Issue Citations – Collection of Additional Information

No further action, as the proposal was dropped.

c. Amendment to Add Business and Professions Code section 7103.5 – Effect of Disciplinary Action by Division of Labor Standards Enforcement

Motion to Approve the Amendment to Add Business and Professions Code section 7103.5 – Effect of Disciplinary Action by Division of Labor Standards Enforcement

MOTION: A motion was made by Board Member Augie Beltran and seconded by Board Member Linda Clifford to approve staff recommendation for alternative action. The motion carried unanimously, 12-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford	X				
David Dias	X				
Susan Granzella	X				



Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb				X	
Ed Lang	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

d. Amendment to Business and Professions Code section 7137 – Fee Schedule

No further action, as no author to sponsor the bill.

e. Amendment to Business and Professions Code sections 7152, 7153, 7153.2, 7153.3, 7154, 7155.5, 7156 and 7156.5 – Home Improvement Salesperson Registration

The Board discussed the bill language, which is included in SB 561 (Monning).

J. EXECUTIVE

1. Review and Approval of Registrar Duty Statement

Motion to Approve Registrar Duty Statement

MOTION: A motion was made by Board Member Kevin J. Albanese and seconded by Board Member Linda Clifford to approve the Registrar Duty Statement. The motion carried unanimously, 12-0.

NAME	Aye	Nay	Abstain	Absent	Recusal
Kevin J. Albanese	X				
Agustin Beltran	X				
Linda Clifford	X				
David Dias	X				
Susan Granzella	X				
Joan Hancock	X				
Pastor Herrera Jr.	X				
Robert Lamb				X	
Ed Lang	X				
Frank Schetter	X				
Paul Schifino	X				
Johnny Simpson	X				
Nancy Springer	X				

**2. Administration Update Regarding Personnel and Facilities**

Registrar Cindi Christenson presented highlights from Business Services, which includes facilities, contracts, and procurement. Ms. Christenson announced that CSLB currently has the fewest staff vacancies in its history and is presently in the process of hiring a Chief Deputy Registrar.

3. Information Technology Update

Chief of Information Technology Cindy Kanemoto updated the Board on the status of BreEZe, which is currently on hold pending the authorization of additional funding. Ms. Kanemoto also informed the Board a CAPTCHA would be added to the license-lookup feature on the CSLB website. IT staff member Keith Kun demonstrated for the Board the new e-payment kiosks.

4. Budget Update

Registrar Cindi Christenson provided an update on budget revenue and expenditures, and detailed the condition of the Construction Management Education Account fund, which is very low.

5. Strategic Plan Update**a. 2014-15 Update**

Registrar Cindi Christenson informed the Board that the achievement of some Public Affairs strategic plan goals are delayed, but that all others are being completed in a timely manner.

b. 2015-16 Review

Registrar Cindi Christenson notified the Board that CSLB will now have full strategic planning sessions every other year, and briefly reviewed the objectives for the upcoming fiscal year.

6. Tentative 2015 Board Meeting Schedule

- June 18 & 19, 2015 – Fairfield (joint meeting with Nevada Contractors Board)
- September 3, 2015 – San Diego
- December 2015

K. REVIEW, DISCUSSION AND POSSIBLE ACTION REGARDING POTENTIAL REVISIONS TO PROPOSED SUNSET REVIEW REPORT

Registrar Cindi Christenson and Board Chair David Dias will testify at the Sunset Review hearing on March 18, 2015. The report will be updated to include staff recommendations on how to address:

1. Lack of staffing



2. BreEZe
3. Pro-rata
4. Inconsistent budget numbers
5. Home improvement contract law
6. Proof of licensure
7. Fingerprinting
8. Evidence of financial solvency
9. Surety bond
10. Use of peace officers in enforcement efforts
11. Licensee identification
12. Employee misclassification
13. Enforcement priorities
14. Concerns about underground infrastructure
15. Arbitration
16. Continued regulation by CSLB

L. ADJOURNMENT

Board Chair David Dias adjourned the Board meeting at 12:38 p.m.

David Dias, Chair

Date

Cindi Christenson, Registrar

Date

AGENDA ITEM J-2

Administration Update Regarding Personnel and Facilities

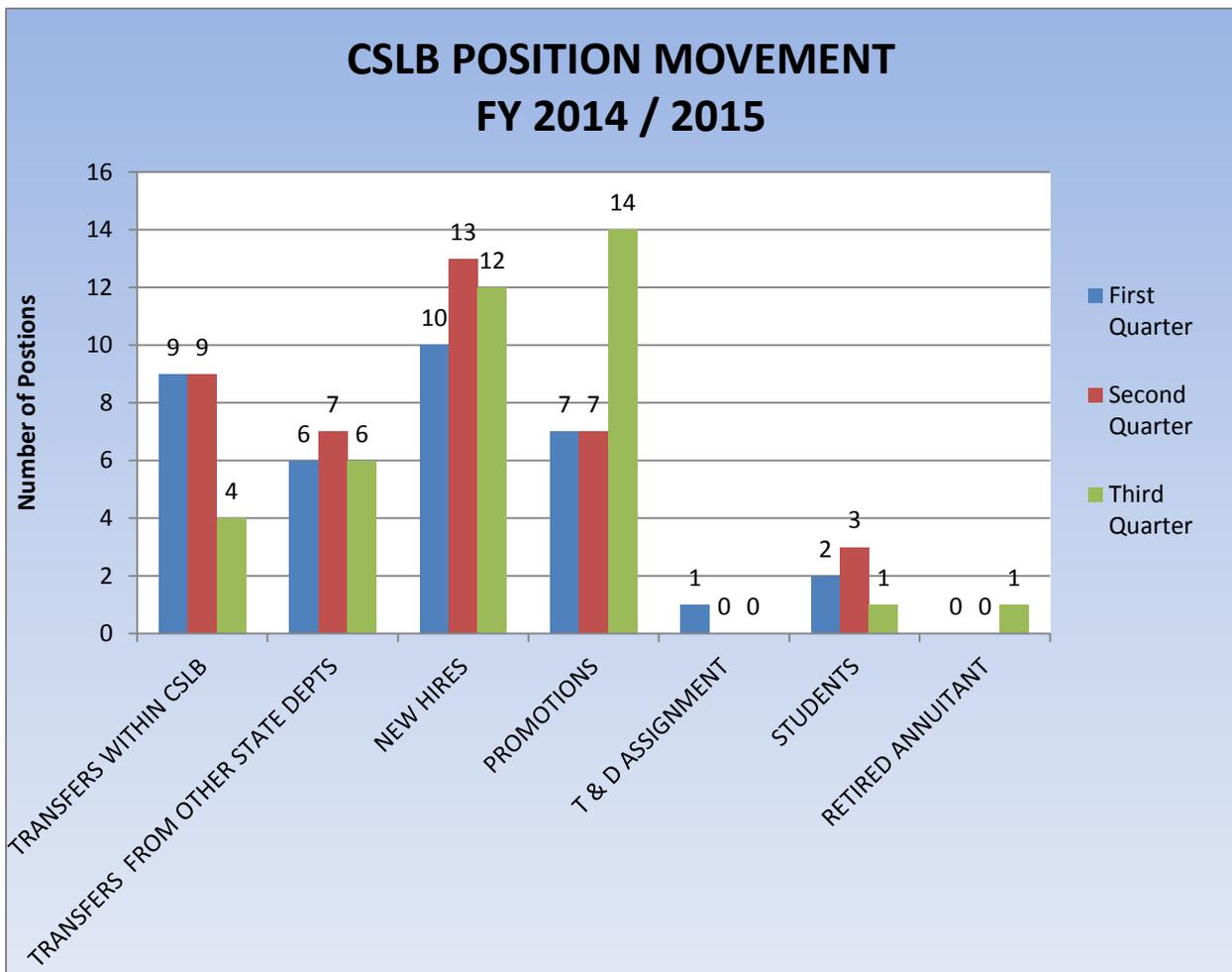




PERSONNEL

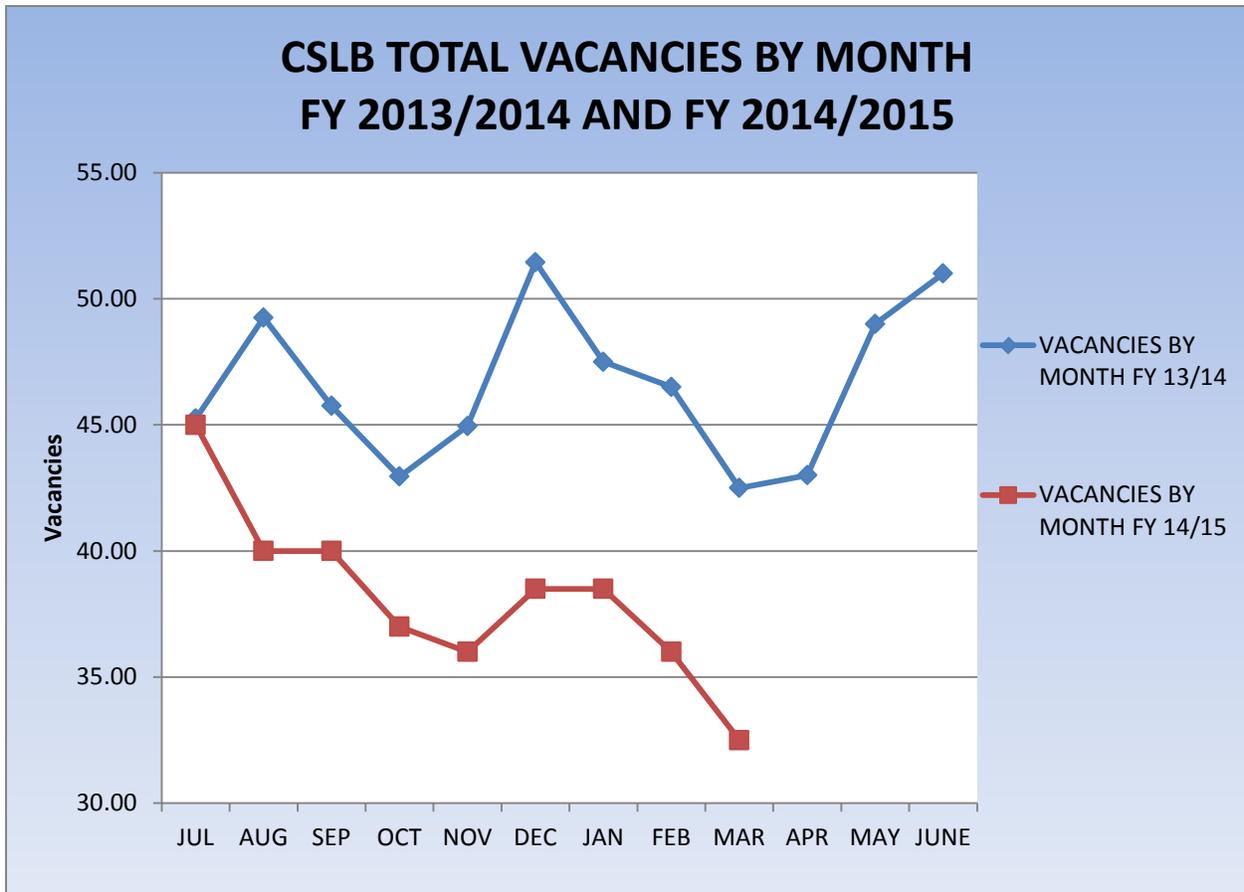
From January 2015 through March 2015, Personnel worked with the Department of Consumer Affairs (DCA), Office of Human Resources (OHR) in the recruitment process that resulted in the appointment of CSLB's new Chief Deputy Registrar, Cindy Kanemoto. Ms. Kanemoto assumed the position effective April 2, 2015. Since June 2014, Ms. Kanemoto served as CSLB's Chief of Information Technology. She joined DCA in 2008, and has worked in state service since 1977. Ms. Kanemoto comes with considerable experience, including in the areas of staff development and process improvement.

During the third quarter of fiscal year 2014-15, CSLB had four (4) internal transfers, six (6) transfers from other state agencies, twelve (12) new hires, fourteen (14) promotions, one (1) student assistant hire, and one (1) retired annuitant hire. Based on comparisons with the first two quarters of the current fiscal year, the hiring trend indicates a fairly consistent number of transfers from other state agencies, as well as new hires, and an increase in promotions.





The number of vacancies per month continues to decline, a reflection of the diligence of personnel staff's close work with management to fill their vacancies.



During the third quarter of FY 2014-15, the Personnel Unit rolled-out Career Consulting sessions to provide current staff the necessary tools to advance in their state careers. Staff will receive tips about how to locate different exams; find vacant positions; prepare the state application, a cover letter, and a resume; and prepare for interviews. The sessions include one-on-one meetings with a member of the CSLB Personnel unit, who will help match an individual's skillset to the job duties of a given position. These services will be offered to Sacramento headquarters and field office staff. Depending on staff interest, the members of the Personnel unit may travel to field offices to conduct career consulting sessions. To make this service more accessible to all staff, Personnel uploaded a PowerPoint presentation onto the CSLB Intranet. The first formal Career Consulting session occurred Thursday, May 28, 2015, at CSLB Headquarters.

Also, the Personnel Unit is working with the Information and Technology division, to create a faster, more specific database to track requests for personnel actions (RPA). This database will not only assist Personnel staff to track RPAs, it will aid staff when generating position control reports.



Additionally, the Personnel Unit is in the process of completing a new desk procedure manual, which should be completed in fall 2015, to aid personnel staff when assisting CSLB divisions with their human resource (HR) needs.

CSLB continues to adhere to the Dymally-Alatree Bilingual Services Act, which ensures that language barriers do not prevent the public from receiving State of California services. CSLB utilizes its existing employees in designated bilingual positions to provide bilingual services to clients it serves. In cases where internal staff are unable to adequately address a particular language need, CSLB can work with a third party vendor, Language Line, to assist.

Because of changes in various policies, procedures, and staffing related to Time and Attendance, CSLB collaborated with OHR to identify specific training needs for CSLB staff. In March 2015, a training was conducted for Time and Attendance Coordinators, as well as Personnel staff, which also was available via webcast for field staff. In addition to the training session, CSLB's Intranet contains a FAQs for the staff's convenience.

In an effort to better assist CSLB divisions and staff, the Personnel Unit will attend a human resource (HR) liaison training in June 2015. The two-day training covers the new recruitment process, accurately completing Request for Personnel Action packages, writing complete justifications and duty statements, preparing organizational charts, OHR's roles and responsibilities in supporting HR Liaisons, and the HR Liaison's roles and responsibilities.



In addition to CalHR, DCA and CSLB offer several examinations to assist staff in advancing their careers, including continuous examinations that are offered throughout the year. The chart below outlines specific examination dates.

DIVISION	EXAM	STATUS
Enforcement	Consumer Services Representative	DCA Continuous Filing
	Enforcement Representative I, CSLB	Application Cut Off – April 2015 Tentative Exam Scheduled for June 2015
	Enforcement Representative II, CSLB	Last Exam Administered – March 2015 Tentative Exam Scheduled for Late Fall 2015
	Enforcement Supervisor I/II	Tentative Exam Scheduled for August 2016
Information Technology	Assistant/Associate/Staff Information Systems Analyst	CalHR
	Systems Software Specialist I/II/III	CalHR
Licensing Division	Supervising Program Technician III	CalHR
Testing	Personnel Selection Consultant I/II	Last Exam Administered – February 2015 Tentative Exam Scheduled for Late 2015
	Test Validation and Development Specialist I	DCA Continuous Filing
	Test Validation and Development Specialist II	Last Exam Administered – December 2014 Next Exam TBD
All CSLB	Information Officer I (Sp)	CalHR
	Management Services Technician	Last Exam Administered – April 2015 Tentative Exam Scheduled for Mid-2017
	Office Services Supervisor	CalHR
	Office Technician/Office Assistant	CalHR OT Last Exam Administered – April and May 2015 OA Last Exam Administered – May 2015 Next Exam Date – TBD
	Program Technician Series	CalHR PT Last Exam Administered – April 2015 PTII Last Exam Administered – April 2015 PTIII Last Exam Administered – April 2015 Next Exam Dates - TBD
	Staff Services Analyst/ Associate Governmental Program Analyst	CalHR
	Staff Services Analyst Transfer Exam	Tentative Schedule–Feb/June/Sept/Dec
	Staff Services Manager Series	CalHR



BUSINESS SERVICES

Facilities

San Bernardino – The Department of General Services (DGS) leasing officer is currently preparing and negotiating the lease renewal agreement, which will include the following upgrades: increased rental space, a new alarm system, a new security system, and additional voice/data cabling. The lessor is procuring bids for the requested improvements and work on the property will begin once DGS receives the bids from the lessor.

Norwalk – The DGS leasing officer is currently preparing and negotiating the lease renewal agreement. Prior to the renewal, the DGS space planner will review the office space specifications to identify any needed adjustments. Additionally, the lessor is working on the ADA Survey and Seismic Report to ensure compliance with State of California regulations.

San Diego – To provide better security for the Enforcement division suite, the DGS planner is receiving bids from contractors to replace the glass conference room wall with a solid wall. Additionally, five panic buttons will be installed throughout the suite.

Testing Field Offices – To provide better security for CSLB testing center staff and clients, surveillance cameras at eight testing centers throughout California are being installed. The DGS planner is currently reviewing the floor plans to determine where to locate the cameras to ensure adequate coverage of staff and clients.

Sacramento Headquarters – Three electric vehicle charging stations have been installed; one in front of the building for public use and two in the enclosed state vehicle parking lot for official vehicles only. SMUD installed meters on the charging station that allow the property management company, FITE, to bill CSLB for usage. Charging stations became available for use in April 2015.

The DGS leasing officer is currently preparing and negotiating the lease renewal agreement, which will include the following upgrades: a new employee security card reader system, key replacement throughout the entire building, construction of additional office space within the Administration unit, installation of one door and two side windows in the Information Technology (IT) programming office located within the Testing unit, installation of six ceiling projectors, and construction of a media room within the Public Affairs unit. Additionally, CSLB has requested that the DGS planner incorporate floor plan modifications into the lease renewal agreement in order to better utilize first floor office space to accommodate the growing business service needs of the Call Center, Enforcement, and Records Certification units.



Contracts and Procurement

Contracts in Process:

- Confidential shredding services for the Berkeley, San Francisco, and Santa Rosa field offices;
- Contract for Board meeting in San Diego, scheduled for September 3, 2015;
- Maintenance service contract for inserter machine in mailroom at Sacramento headquarters;
- Maintenance service contract for two warehouse forklifts at Sacramento headquarters;
- New scanning system for packages/letters received in the mailroom at Sacramento headquarters; and
- Seven copiers, with maintenance service contracts, for the Sacramento headquarters office and various field offices.

Procurements in Process:

- Computer table for e-payment station at the San Diego Investigation Center;
- Eighteen utility chairs for Sacramento headquarters testing unit conference room;
- Identification credentials for all non-peace officer Enforcement Representative classifications;
- Ergonomic furniture for the Redding field office; and
- Polo shirts for Enforcement division staff.

Executed Contracts/Procurement:

- Ergonomic furniture for the IT programming office located within the Sacramento Testing unit;
- Five copiers, with maintenance service contracts, for various field offices;
- Maintenance service contracts for three UPS machines for various field offices;
- Seventeen utility chairs for the Sacramento SWIFT conference room; and
- Twenty-four ergonomic chairs for the Berkeley Testing center.

Fleet

CSLB has submitted a Fleet Acquisition Plan to DCA to replace seven vehicles statewide: five for the Enforcement division, one for the Administration division, and one for the Testing division. The Administration division has requested an all-electric vehicle to ensure that CSLB meets the Governor's office requirements that 10 percent of DCA's fleet be zero emission. The Fleet Acquisition Plan is pending approval from DGS and the Governor's Office Agency Secretary.

AGENDA ITEM J-3

Information Technology Update





BreEZe:

Release One is in production and the Department of Consumer Affairs (DCA) and the vendor are supporting maintenance and operational needs.

Release Two clients are currently working on their development efforts as well as their respective organizational change management activities. The expected implementation of Release Two boards is spring 2016.

CSLB staff continues to work with programs to document and map current “as is” business processes, conducting meetings with CSLB end users to verify mapping and completing gap/fit analysis.

The current design, develop, and implement contract (with Accenture) for BreEZe implementation ends after Release Two. However, the vendor will continue to perform the maintenance and operation (M&O) services for Release One and Two boards/committees under the existing M&O contract.

Following the implementation of Release Two, DCA will perform a formal cost/benefit analysis to look at viable options for Release Three boards/bureaus/committees.

Interactive Voice Response (IVR) System

CSLB’s IVR is an interactive, self-directed telephone system that provides valuable information to consumers, contractors, and others. It allows callers to request forms or pamphlets that are immediately faxed to them. Callers can look up a license, and applicants can check the status of their exam application. The IVR provides consumers with information on how to file complaints, as well as how to become a licensed contractor. In addition, the IVR gives callers an option to speak to call center agents in Sacramento or Norwalk. From February 2015 through April 2015, CSLB’s IVR handled a total of 112,241 calls, which is an average of 37,414 calls a month. The system is available 24 hours a day, seven days a week.

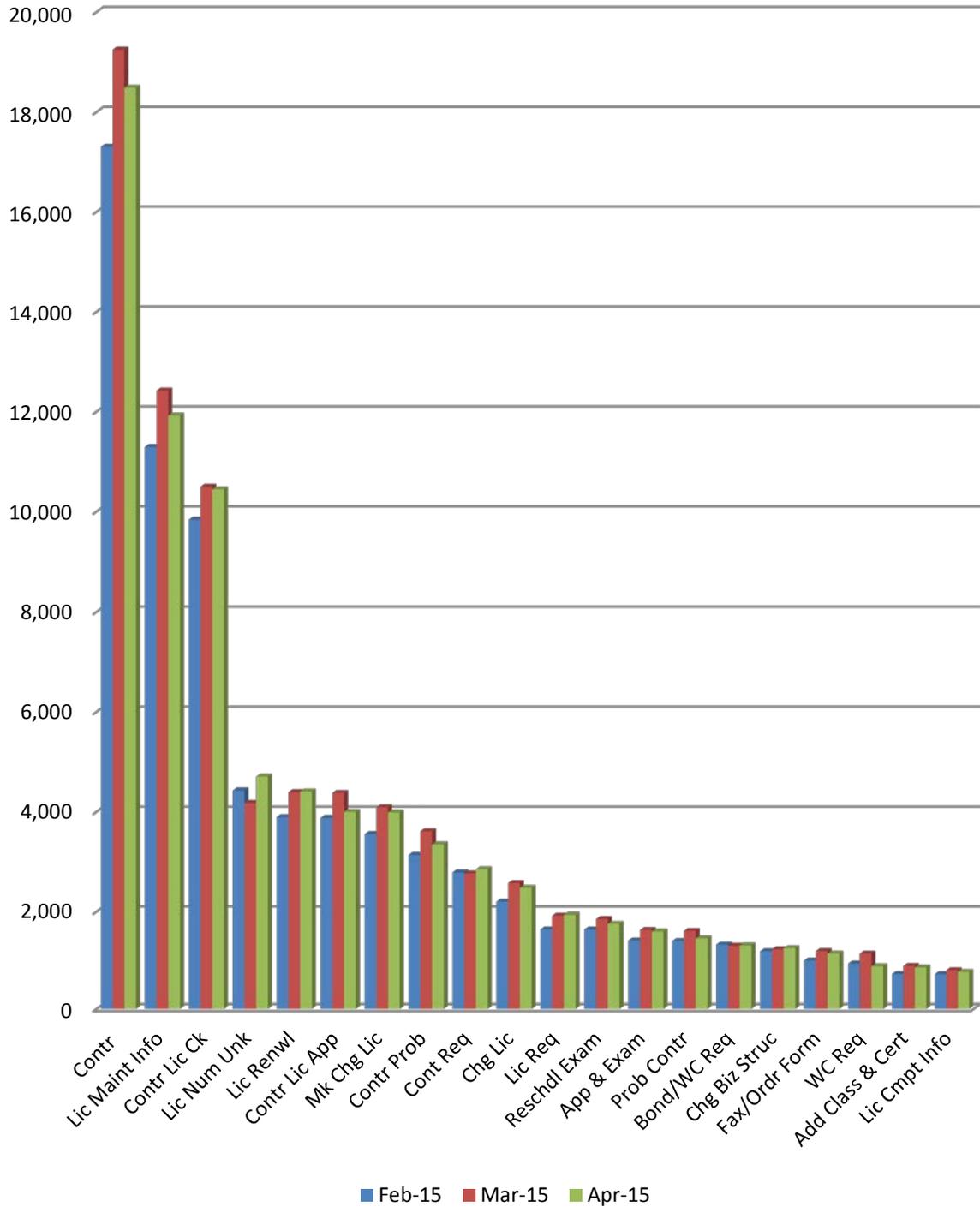
The IVR system offers dozens of possible menu options. Following is a representative sample of the top 20 IVR requests from February 2015 through April 2015.

**Top 20 IVR Requests - Feb '15 - Apr '15**

IVR Statistics		<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	Three Month Totals
IVR Calls Received		35,311	38,907	38,023	112,241
Monthly Average					37,414
Top 20 IVR Requests	Abbreviation	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	Three Month Totals
Contractor or Want to Become Contractor	Contr	17,301	19,247	18,485	55,033
Info on Maintaining or Changing License	Lic Maint Info	11,291	12,419	11,919	35,629
Contractor's License Check	Contr Lic Ck	9,836	10,496	10,443	30,775
License Number Not Known	Lic Num Unk	4,425	4,176	4,703	13,304
About License Renewal	Lic Renwl	3,893	4,392	4,405	12,690
Contractor License Application	Contr Lic App	3,876	4,376	3,997	12,249
About Making Changes to License	Mk Chg Lic	3,551	4,089	3,984	11,624
Hire or Problem with Contractor	Contr Prob	3,134	3,609	3,343	10,086
About Continuing Requirements	Cont Req	2,785	2,763	2,848	8,396
For Changes to Existing Licenses	Chg Lic	2,201	2,572	2,476	7,249
License Requirements	Lic Req	1,637	1,917	1,935	5,489
Reschedule Exam Date	Reschdl Exam	1,636	1,850	1,752	5,238
General Application & Examination Info	App & Exam	1,410	1,626	1,593	4,629
Info on Problems with Contractor	Prob Contr	1,399	1,606	1,453	4,458
Info about Bond or Workers' Comp Requirements	Bond/WC Req	1,326	1,301	1,307	3,934
For Changing the Business Structure of an Existing	Chg Biz Struc	1,189	1,229	1,251	3,669
To Fax Forms, or To Order Forms by Mail	Fax/Ordr Form	998	1,192	1,140	3,330
Info about Workers' Comp Requirements	WC Req	934	1,140	879	2,953
For Adding Classifications, Certifications or Change	Add Class & Cert	720	886	854	2,460
License Complaint Information	Lic Cmpt Info	717	798	764	2,279



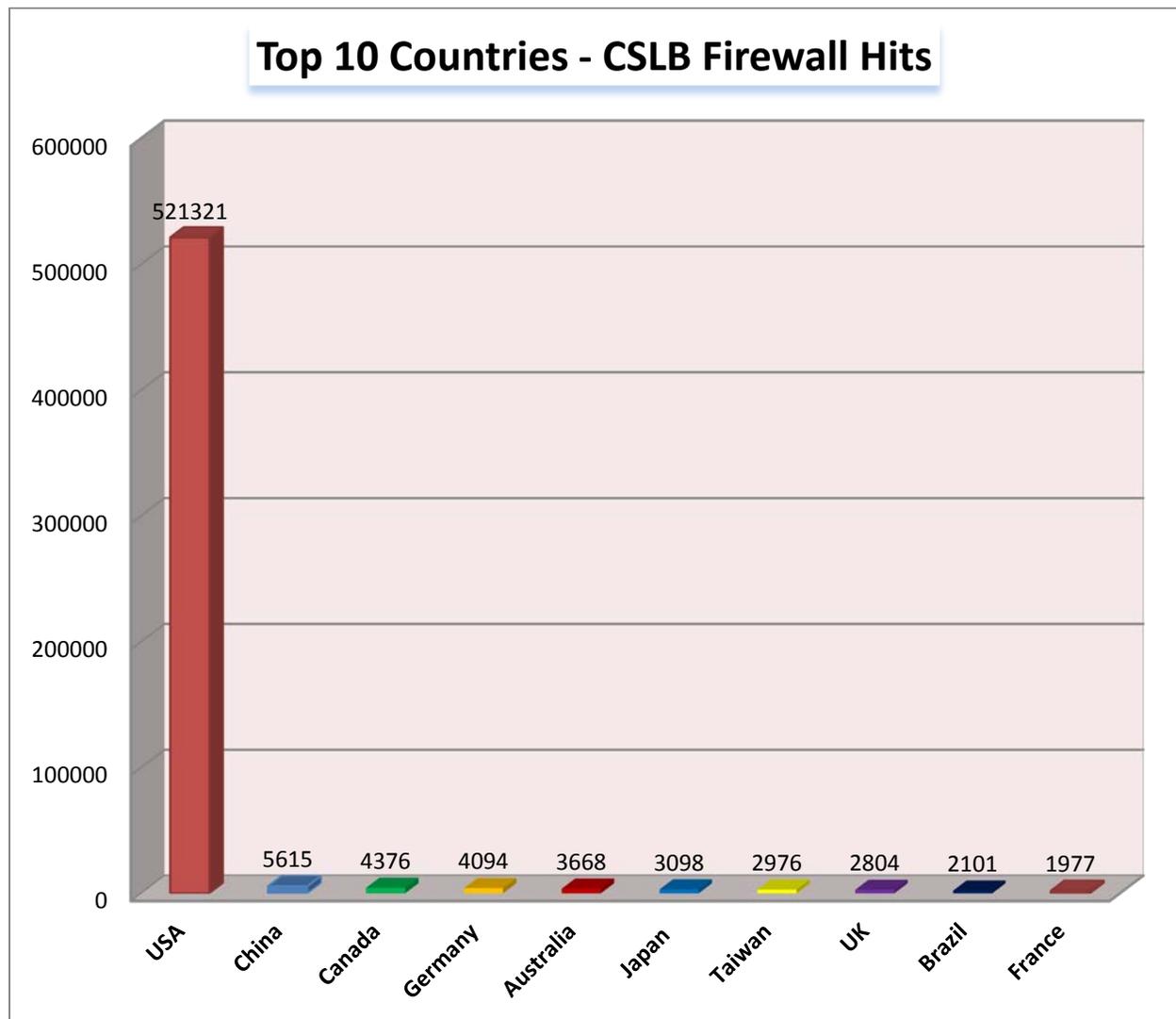
Top 20 IVR Requests - Feb'15 - Apr'15





Enterprise IT Security – Firewall Hits

CSLB’s IT staff maintains high security on all of the Board’s information technology systems and applications. Using a multi-layered defense that relies on various security products (firewall, anti-spam, anti-virus programs, event management, and correlation tools), CSLB proactively blocks/denies any unauthorized attempts from all sources, including those emanating from foreign countries. The chart below represents the top 10 countries from which users have attempted to access CSLB systems and applications between January 1, 2015 and May 28, 2015, all of which were successfully denied. To date, utilizing best practices, CSLB’s IT security systems have successfully safeguarded CSLB information assets, and no unauthorized attempts to penetrate the system have succeeded.





E-Payment Expansion to Norwalk Update

Though contractors throughout the State can pay licensing and applications fees by mailing their payments, along with the appropriate documents, to the Sacramento HQ office, previously, in-person cash/check/credit card payments could only be made in Sacramento.

On March 26, 2015, CSLB successfully launched the first phase of its planned in-person e-Payment expansion in Norwalk.

The e-Payment expansion allows CSLB to utilize technology to better serve consumers and contractors. The IT division plans to expand this service to additional field offices throughout the State, including San Diego, Fresno, and San Bernardino. E-payment kiosks will be rolled out in Fresno and San Diego by the end of July 2015.

Below is a breakdown of payment types through May 31, 2015:

	Sacramento	Norwalk	Total
Re-Examination	64	131	195
Delinquent Active Renewal	99	23	122
Timely Active Renewal	97	14	111
Initial License Fee	72	12	84
Original Waiver Application	31	0	31
Home Improvement Salesperson (HIS) Application	25	0	25
License Reactivation	23	1	24
Original Exam Application	17	0	17
Delinquent Inactive Renewal	11	2	13
Replacing Qualifier Application	12	0	12
Timely Inactive Renewal	10	0	10
Additional Classification Application	9	1	10
HIS Timely Renewal	3	0	3
Asbestos Certification Application	1	0	1
Hazardous Substance Removal Certification Application	0	0	0
HIS Delinquent Renewal	0	0	0
Total	474	184	658



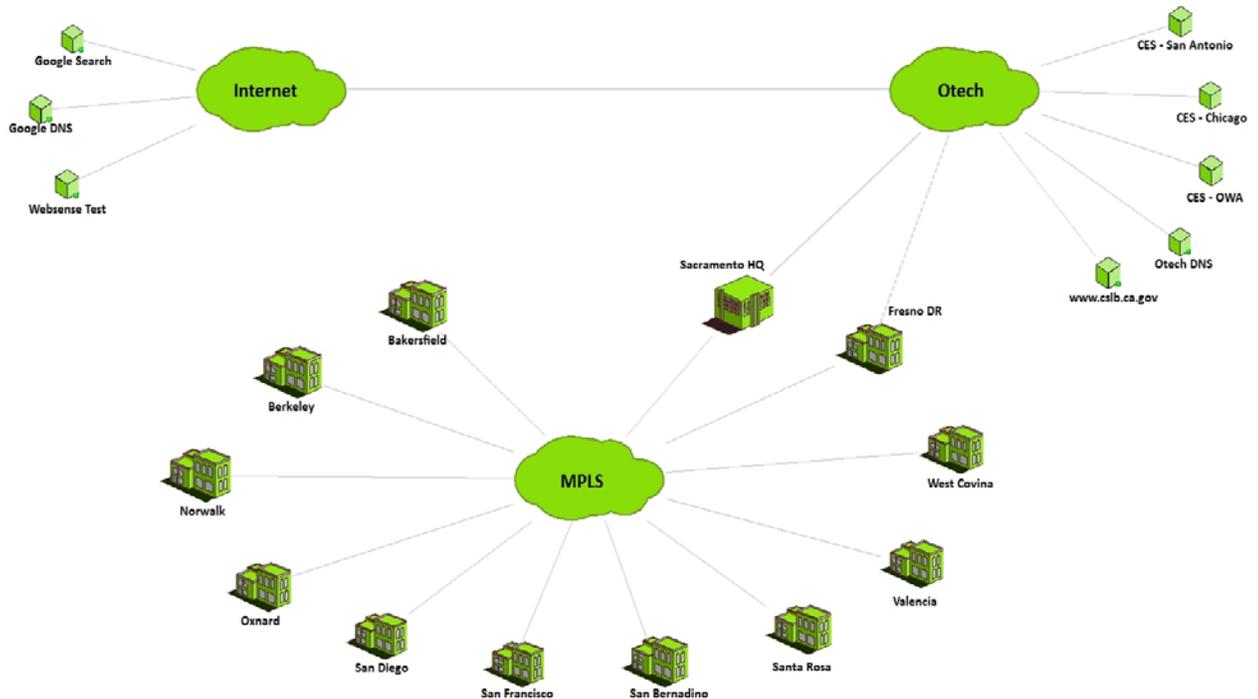
Keeping an eye on CSLB Network and Critical Services

For over ten years, CSLB Service Desk and Technical Support Staff (TSU) used software called Big Brother to monitor the CSLB network and critical services. However, support for this software became unavailable. CSLB IT staff reviewed, analyzed, and evaluated several replacement products and chose SolarWinds as the best fit for CSLB’s needs.

CSLB staff started work on this project at the beginning of this year, and after testing and configuration, successfully deployed this solution in late April of 2015.

Two large screen monitors were purchased to display a wide range of available statistics and to monitor, via maps, whether or not a site is down or up (see below). While the overhead screens are the most visible piece of an upgrade to CSLB’s network monitoring capabilities, they comprise just a small part of the overall system. From their work station computers, or by glancing up at the large monitors, IT staff can now quickly check the status of CSLB’s data network at various locations around the state. Like spokes on a wheel, components of CSLB’s network, such as field offices, are displayed on screen as connecting into a main data center, each emanating a green glow if functioning correctly – or red to indicate there is a problem. The new monitoring system allows staff to drill down to find much more detailed information about network performance, availability, and other functions.

CSLB Network Overview





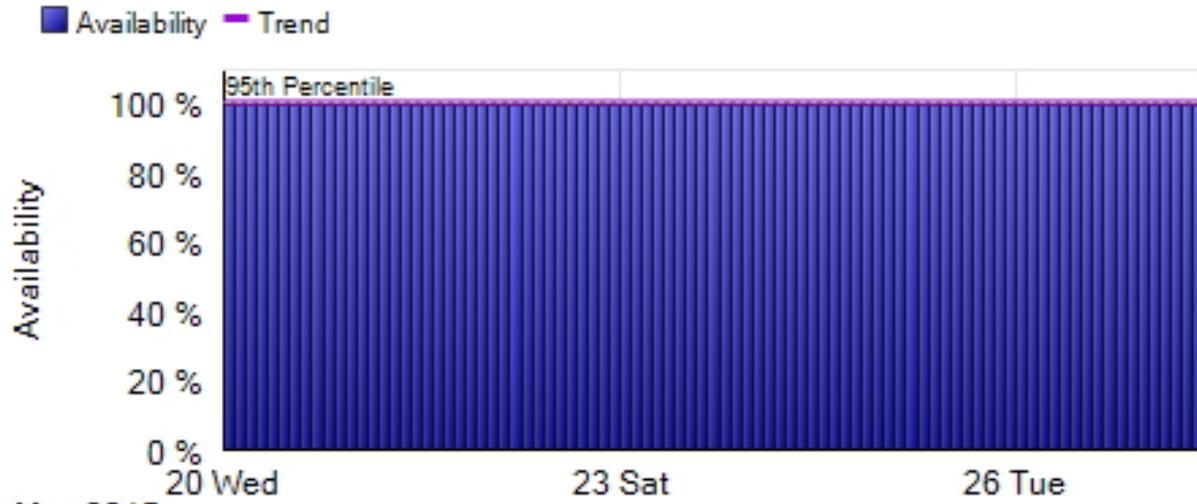
Network Wide Availability - Last 7 Days

View Options

HELP

LAST 7 DAYS

Network Wide Availability Last 7 Days



May 2015

95th Percentile: Availability is 100.0 %

SolarWinds Orion Core Services 2014.2.1

AGENDA ITEM J-4

Budget Update





CONTRACTORS STATE LICENSE BOARD

BUDGET UPDATE

❖ Fiscal Year (FY) 2014-15 CSLB Budget and Expenditures

Through April 30, 2015, CSLB spent or encumbered \$50.6 million, roughly 80 percent of its FY 2014-15 budget. The chart below details the CSLB budget, including expenditures through April, 2015:

EXPENDITURE DESCRIPTION	FY 2014-15 REVISED BUDGET	APRIL 2015 EXPENSES	BALANCE	% OF BUDGET REMAINING
PERSONNEL SERVICES				
Salary & Wages (Staff)	22,317,572	17,830,611	4,486,961	20.1%
Board Members	15,900	11,100	4,800	30.2%
Temp Help	860,000	742,881	117,119	13.6%
Exam Proctor	41,168	98,561	-57,393	-139.4%
Overtime	146,000	171,112	-25,112	-17.2%
Staff Benefits	10,477,885	8,561,201	1,916,684	18.3%
TOTALS, PERSONNEL	33,858,525	27,415,466	6,443,059	19.0%
OPERATING EXPENSES AND EQUIPMENT (OE&E)				
Operating Expenses	20,565,111	18,096,656	2,468,455	12.0%
Exams	435,882	229,433	206,449	47.4%
Enforcement	8,635,175	5,283,364	3,351,811	38.8%
TOTALS, OE&E	29,636,168	23,609,453	6,026,715	20.3%
TOTALS	63,494,693	51,024,919	12,469,774	19.6%
Scheduled Reimbursements	-353,000	-173,797	-179,203	
Unscheduled Reimbursements		-259,138	259,138	
TOTALS, NET REIMBURSEMENTS	63,141,693	50,591,984	12,549,709	19.9%

❖ Revenue

CSLB received the following revenue amounts through April 30, 2015:

Revenue Category	Through 04/30/2015	Percentage of Revenue	Change from prior year (04/30/2014)*
Duplicate License/Wall Certificate Fees	\$85,048	0.1%	-0.5%
New License and Application Fees	\$8,931,543	17.5%	7.7%
License and Registration Renewal Fees	\$38,121,087	74.7%	2.4%
Delinquent Renewal Fees	\$2,324,283	4.6%	-10.4%
Interest	\$43,844	0.1%	-3.0%
Penalty Assessments	\$1,456,369	2.9%	23.9%
Misc. Revenue	\$101,666	0.1%	-3.0%
Total	\$51,063,840	100.00%	3.1%

* License & Registration Renewal Fees are based on 2-year cycle (comparative data is from FY 2012-13, a peak renewal year).

**❖ CSLB Fund Condition**

Below is the fund condition for the Contractors' License Fund, which shows the final FY 2013-14 reserve (\$26 million – approximately 5 months' reserve), along with the projected reversion amounts for current year (CY) 2014-15 through budget year (BY) 2016-17:

	Final FY 2013-14	Projected CY 2014-15	Projected BY 2015-16	Projected BY+1 2016-17
Beginning Balance	\$28,953	\$26,387	\$23,518	\$16,371
Prior Year Adjustment	\$129	\$0	\$0	\$0
Adjusted Beginning Balance	\$29,082	\$26,387	\$23,518	\$16,371
Revenues and Transfers				
Revenue	\$54,992	\$57,001	\$55,621	\$57,377
Totals, Resources	\$84,074	\$83,388	\$79,139	\$73,748
Expenditures				
Disbursements:				
Program Expenditures (State Operations)	\$57,411	\$59,820	\$62,768	\$63,082
State Controller (State Operations)	\$3			
Financial Info System Charges	\$273	\$50		
Total Expenditures	\$57,687	\$59,870	\$62,768	\$63,082
Fund Balance				
Reserve for economic uncertainties	\$26,387	\$23,518	\$16,371	\$10,666
Months in Reserve	5.3	4.5	3.1	2.0

Notes:

- 1) All dollars in thousands.
- 2) Revenue assumes 1% interest earned.
- 3) Assumes expenditure growth projected at 0.5% starting in FY 2015-16, and then ongoing.
- 4) Assumes Workload and Revenue Projections are realized for FY 2014-15 and FY 2015-16.



CONTRACTORS STATE LICENSE BOARD

STATISTICS SUMMARY

Applications Received

	2011-12	2012-13	2013-14	2014-15
July	2,082	2,564	2,850	2,805
August	2,801	2,786	3,084	3,004
September	2,572	2,408	2,682	3,207
October	2,688	2,857	2,719	3,177
November	2,257	2,431	2,435	2,542
December	2,269	2,266	2,315	2,944
January	2,599	2,736	2,832	2,958
February	2,884	2,780	3,030	3,568
March	3,345	3,003	3,025	3,978
April	3,041	3,231	3,987	3,878
Total	26,538	27,062	28,959	32,061
			<i>% Change from Prior FY</i>	<i>10.7%</i>

Original Licenses Issued

	2011-12	2012-13	2013-14	2014-15
July	1,278	925	1,008	1,248
August	1,395	1,013	845	1,275
September	1,247	1,249	1,023	1,036
October	1,055	1,138	970	1,247
November	885	762	759	724
December	1,021	922	812	887
January	935	1,095	971	1,225
February	945	692	819	1,078
March	1,304	1,152	921	1,139
April	1,000	1,078	971	971
Total	11,065	10,026	9,099	10,830
			<i>% Change from Prior FY</i>	<i>19.0%</i>

Licenses Renewed

	2011-12	<i>PEAK</i> 2012-13	2013-14	<i>PEAK</i> 2014-15
July	9,291	11,125	11,751	10,079
August	11,856	11,273	9,313	11,505
September	9,863	9,868	8,016	11,584
October	9,634	10,167	8,481	8,448
November	8,373	8,988	8,674	6,467
December	8,828	7,335	8,672	11,886
January	9,850	11,439	10,279	9,847
February	9,062	8,108	10,294	8,045
March	12,405	10,449	9,305	12,291
April	9,905	9,746	13,174	10,647
Total	99,067	98,498	97,959	100,799
			<i>% Change from Peak FY 2012-13</i>	<i>2.3%</i>

**HIS Registrations Renewed**

	2011-12	2012-13	2014-15	2014-15
July	99	115	150	158
August	139	180	150	147
September	114	130	101	187
October	120	136	152	158
November	89	104	143	117
December	121	100	124	143
January	113	132	140	179
February	155	164	140	87
March	181	171	179	197
April	116	162	155	242
Total	1,247	1,394	1,434	1,615
			<i>% Change from Prior FY</i>	<i>12.6%</i>

License Population by Status

	April 2013	April 2014	April 2015
Active	225,618	223,625	223,134
Inactive	66,393	64,226	61,713
Subtotal	292,011	287,851	284,847
Other*	451,753	465,080	478,832
Expired	388,111	398,726	409,685
Expired % of Other	85.9%	85.7%	85.6%
Grand Total	743,764	752,931	763,679

* Other - includes the following license status categories: cancelled, cancelled due to death, expired no longer renewable, revoked.

HIS Registration Population by Status

	April 2013	April 2014	April 2015
Active	9,051	9,576	12,211
Other	84,723	87,973	91,667
Total	93,774	97,549	103,878

**Complaints By Fiscal Year**

	2010-11	2011-12	2012-13	2013-14
Received	21,320	19,239	18,101	18,203
Reopened	1,076	1,094	844	786
Closed	22,483	20,366	19,118	18,875
Pending (As of June 30)	3,891	3,901	3,762	3,893

CSLB Position Vacancies

	April 2014	April 2015
Administration	1.0	2.0
Executive/Public Affairs	2.0	1.0
IT	6.0	4.0
Licensing	9.0	6.5
Enforcement	19.0	18.0
Testing	3.0	1.0
Total	40.0	32.5

AGENDA ITEM J-5

Strategic Plan

- a. 2014-15 Update
- b. 2015-16 Objectives





CONTRACTORS STATE LICENSE BOARD

2014-15 STRATEGIC PLAN UPDATE

(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #1 LICENSING & TESTING OBJECTIVES	TARGET	STATUS
1. Increase high-tech security monitoring in test centers (I)	December 2015	At Department of General Services. Surveillance cameras planned for December 2015.
2. Establish task force to analyze application process and reduce rejection rates (I)	January 2015 January 2016	Workload analysis of application units completed; recommendations under review for implementation in 2016
3. Develop and apply consistent application experience evaluation criteria (E)	July 2015 January 2016	Training of all application staff conducted in May 2014 on existing evaluation criteria; task force to be appointed to develop regulation proposal(s) for evaluation criteria
4. Develop online smart application package to reduce application rejection rates (I)	January 2016	Currently tied to DCA BreEZe project. Research other options to move forward.
5. Fully automate bonds and workers' compensation insurance submission processes (I)	January 2016	Currently tied to DCA BreEZe project. Research other options to move forward.
6. Implement online licensure tool for credit card payment (B)	January 2016	Currently tied to DCA BreEZe project. Research other options to move forward.

GOAL #2 ENFORCEMENT OBJECTIVES	TARGET	STATUS
1. Establish enforcement strategy to address predatory service and repair scams (E)	July 2014	Completed.
2. Update Industry Expert Training Program (I)	October 2014	Completed.
3. Automate official educational letter to consumers who repeatedly hire unlicensed operators (B)	December 2014	Completed.
4. Establish RMO/Application Waiver Task Force to identify issues and make enforcement strategy recommendations (E)	December 2014	Completed.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #2 (Cont.) ENFORCEMENT OBJECTIVES	TARGET	STATUS
5. Create Peace Officer Special Investigations Unit (I)	December 2014	Completed.
6. Implement Peace Officer Training Curriculum (I)	December 2014	Completed.
7. Provide section for the disclosure of partnering agencies' administrative actions on CSLB website (B)	December 2015	CSLB now discloses Division of Labor Standards Enforcement Civil Wage & Penalty judgments and contractors subject to egregious Stop Notices filed with Caltrans. Staff continues to work with IT to assess further programming needs to display additional state and local government disciplinary actions.
8. Partner with Public Affairs Office and California Energy Commission to create an energy efficiency campaign (B)	January 2015	This is an ongoing effort.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #3 PUBLIC AFFAIRS OBJECTIVES	TARGET	STATUS
1. Establish outreach strategy to address predatory service and repair scams (E)	August 2014	Completed – ongoing adjustments
2. Complete flagship consumer publication (E)	September 2014 December 2014 March 2015 May 2015 September 2015	Moves to 2015-16 Strategic Plan
3. Complete flagship contractor publication (E)	December 2014 March 2015 July 2015 September 2015	Moves to 2015-16 Strategic Plan
4. Work with Information Technology division to determine feasibility of developing opt-in "Find a Contractor" website feature (B)	December 2014	Completed – Implementation may not happen until BreZE
5. Work with Information Technology division to determine feasibility/need to update pocket license cards (B)	December 2014	Completed – No need to update at this time
6. Determine feasibility of developing system to send licensees renewal information and updates via text and email (B)	December 2014 June 2015	Tied to BreZE
7. Explore feasibility of obtaining a contract for advertising services to enhance media outreach opportunities (B)	December 2014 June 2015	Not necessary at this time
8. Develop contractor bid presentation kit (B)	March 2015	Completed – "Ambassador Program" Information Posted Online
9. Develop CSLB style guide and grand standards manual (B)	March 2015 June 2015	Moves to 2015-16 Strategic Plan



(E) "Essential"

(I) "Important"

(B) "Beneficial"

GOAL #4 LEGISLATION OBJECTIVES	TARGET	STATUS
1. Prepare and submit Sunset Review Report to California Legislature (E)	November 2014	Report completed and submitted
2. Provide end-of-year training to staff on new laws that will take effect the next year (B)	December 2014	Completed
3. Pursue legislation to allow CSLB enforcement representatives to investigate active job sites (E)	January 2015	SB 315 approved by Legislature, and signed by the Governor
4. Pursue legislation to increase amount of surety bond to reflect homeowner risk (I)	December 2015	Included in Sunset Review Report as a new issue and included in SB 465 (Hill)
5. Review CSLB's laws and rules (B)	Ongoing	In process

GOAL #5 IT & ADMINISTRATION OBJECTIVES	TARGET	STATUS
1. Request additional staff in Case Management (Citation Program) through the Budget Change Proposal (BCP) process to meet operational demands (E)	July 2015	BCP denied Does not meet DCA's mission critical requirements as outlined in the Dept. of Budget Policy Letter BL 14-12
2. Request additional Statewide Investigative Fraud Team (SWIFT) staff in remote locations through the BCP process to meet operational demands (E)	July 2015	BCP denied Does not meet DCA's mission critical requirements as outlined in the Dept. of Budget Policy Letter BL 14-12
3. Request additional staff for the Public Works Program through the BCP process to meet operational demands (E)	July 2015	BCP denied Does not meet DCA's mission critical requirements as outlined in the Dept. of Budget Policy Letter BL 14-12
4. Implement State Contractor Official Regulatory Exam (SCORE) 2.0 computer testing system to improve security and make exams more use-friendly (I)	Fall 2016	When fully implemented, SCORE 2.0 will consist of six applications. IT finished the development of the first application "Score Exam", and is gathering user/business requirements on the proctoring application.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

<p>5. Prepare CSLB for implementation of BreEZe by actively working with Department of Consumer Affairs BreEZe team (E)</p>	<p>January 2017</p>	<p>CSLB staff continues to prepare for the Release Three release by working with programs to document and map current "As Is" business processes; conducting meetings with CSLB end users to verify mapping and completing Gap/Fit analysis from the current system to BreEZe.</p>
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CONTRACTORS STATE LICENSE BOARD

STRATEGIC PLAN – 2015-16 OBJECTIVES

(E) “Essential”

(I) “Important”

(B) “Beneficial”

ENFORCEMENT OBJECTIVES	TARGET	DESCRIPTION
1. Public Works (I)	August 2015	Review and revise memorandum of understanding with the Labor Commissioner’s Office.
2. Establishment of Government Accounts to Obtain Court Records (I)	October 2015	County criminal records are online, but require establishment of a fee-based account to access them.
3. Refine Proactive Strategies and Objectives (I)	December 2015	Develop a matrix to prioritize proactive response to leads, sweeps, and stings.
4. Revision of Enforcement Manual (E)	December 2015	Establish task force to update and improve the existing complaint handling manual.
5. Update Regulation for Assessment of Civil Penalties (I)	December 2015	Revisit penalty guidelines to determine if they have kept up with inflation and consumer protection requirements.
6. Solar Industry Schemes (E)	June 2016	Develop outreach, education, and enforcement strategies to address deceptive solar tactics.

LEGISLATIVE OBJECTIVES	TARGET	DESCRIPTION
1. Seek Legislation to Authorize Sharing of Licensee Information with the Employment Development Department (E)	July 2015	To address new issue raised by the Department of Consumer Affairs.
2. Prepare Legislative Proposal to Eliminate Capital Requirement for Licensure and Increase Contractor’s Bond by Corresponding Amount (B)	September 2015	To address new issue raised by the Board in the Sunset Review Report; included in SB 465 (Hill).
3. Prepare Draft Proposal to reorganize Contractors State License Law (I)	December 2015	To make the law easier to follow.
4. Prepare Legislative Proposal to Provide for Comprehensive Rewrite of the Home Improvement Contractor Provisions (B)	December 2015	To address new issue raised by the Board in the Sunset Review Report.
5. Seek Amendments to Arbitration Program Statutory Provisions (I)	December 2015	To address the awarding of attorney’s fees as a result of participation in arbitration program.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

LICENSING & TESTING OBJECTIVES	TARGET	DESCRIPTION
1. Research Security Devices for Testing Center and Workshop Conference Room Windows (I)	December 2015	Research and evaluate various security devices that could be installed in test centers and conference rooms.
2. Evaluate Testing Centers for Functionality (I)	December 2015	Determine possible improvements to the layout (floor plan, types of cubicles, etc.) of test centers.
3. Research National Contractor Examinations (B)	December 2015	Testing division staff will review and evaluate existing examinations for licensure in the construction field.
4. Install Surveillance Cameras in Testing Centers (I)	December 2015	The Department of General Services is putting this project out to bid. This will enhance the security at all eight test centers.
5. Develop and apply consistent application experience evaluation criteria (E)	January 2016	Training of all application staff conducted in May 2014 on existing evaluation criteria; task force to be appointed to develop regulation proposal(s) for evaluation criteria.
6. Develop online smart application package to reduce application rejection rates (I)	January 2016	Currently tied to DCA BreZE project. Research other options to move forward.
7. Fully automate bonds and workers' compensation insurance submission processes (I)	January 2016	Currently tied to DCA BreZE project. Research other options to move forward.
8. Implement online licensure tool for credit card payment (B)	January 2016	Currently tied to DCA BreZE project. Research other options to move forward.
9. Review Current Reciprocity Agreements (I)	January 2016	Review current agreements with Arizona, Nevada, and Utah; research licensing criteria for other states to determine whether reciprocity should/can be expanded.
10. Determine Feasibility of Tiered General Building "B" Classification (I)	January 2016	Determine whether a secondary "B" classification is needed to address contractors who provide home improvement services that do not include structural changes.
11. Fully Implement SCORE 2.0 (E)	September 2016	The most critical SCORE 2.0 modules will be completed first, with completion date of Fall 2016. SCORE 2.0 will provide enhanced functionality for examination development and administration.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

PUBLIC AFFAIRS OBJECTIVES	TARGET	DESCRIPTION
1. Complete Flagship Consumer Publication (E)	July 2015	Continued from 2014-15 Strategic Plan.
2. Complete Flagship Contractor Publication (E)	September 2015	Continued from 2014-15 Strategic Plan.
3. Determine Legality to Develop "State of California Licensed Contractor" Logo for Use by Licensees (B)	September 2015	Research legality of developing logo that can be used by licensees to promote their licensure by the state of California.
4. Develop Realtor Outreach Program (B)	October 2015	Develop program to educate realtors, a prime referral source for new homeowners to locate contractors.
5. Determine Feasibility of Building a Full-Service Broadcast Studio (I)	December 2015	Assess feasibility/costs of constructing a broadcast studio in space currently occupied by Public Affairs Office staff.
6. Determine Feasibility of Updating Technology in John C. Hall Hearing Room (B)	January 2016	Assess feasibility/cost of updating hearing room to improve audio/visual services for meeting participants and audience.
7. Develop Schedule for Development of an Opt-In, "Find a Contractor" Website Feature (E)	February 2016	Determine schedule to develop website feature that will allow consumers to identify licensed contractors.
8. Determine Feasibility of Developing a Mobile Web App (I)	March 2016	Research current technology to determine if there's a need/opportunity to create any mobile app(s).
9. Develop Features for Use on Contractors/Industry Members' Websites (I)	April 2016	Utilize Rich Site Summary (RSS) to create content that can be used on licensee or industry group websites.
10. Develop CSLB Style Guide and Standards Manual (B)	June 2016	Continued from 2014-15 Strategic Plan.



(E) “Essential”

(I) “Important”

(B) “Beneficial”

INFORMATION TECHNOLOGY OBJECTIVES	TARGET	DESCRIPTION
1. Implement ePayment Expansion to field sites (I)	Spring 2016	Expand ePayment to cover California’s Northern (Sacramento), Central (Fresno) and Southern (Norwalk, San Bernardino and San Diego) regions. Will allow contractors to pay 16 payment types by major credit cards.
2. Implement ePayment Online (I)	Winter 2015	Will allow contractors to pay 16 payment types by major credit cards from anywhere (online).
3. Implement Home Improvement Salesperson (HIS) Online Application (I)	Spring 2016	Enables HIS applicants to submit application online as well as give them the ability to renew registration online.
4. Increase Network Bandwidth to Field Sites (E)	Spring 2016	Field sites network bandwidth is currently limited and slow, IT staff will upgrade network circuits to increase the available bandwidth to allow the Board to implement Enterprise IT solutions.

AGENDA ITEM J-6

Election of Board Officers



Chapter 4. Selection of Officers and Committees

Officers of the Board

(B&P Code section 7005)

The Board shall elect from its members a Chair, a Vice Chair, and a Secretary to hold office for one year or until their successors are duly elected and qualified.

Nomination of Officers

(Board Policy)

The Board Chair shall appoint a Nominations Committee prior to the last meeting of the fiscal year and shall give consideration to appointing a public and a professional member of the Board to the Committee. The Committee's charge will be to recommend a slate of officers for the following year. The Committee's recommendation will be based on the qualifications, recommendations, and interest expressed by the Board members. A survey of Board members may be conducted to obtain interest in each officer position. A Nominations Committee member is not precluded from running for an officer position. If more than one Board member is interested in an officer position, the Nominations Committee will make a recommendation to the Board and others will be included on the ballot for a runoff if they desire. The results of the Nominations Committee's findings and recommendations will be provided to the Board members. Notwithstanding the Nominations Committee's recommendations, Board members may be nominated from the floor at the meeting.

Election of Officers

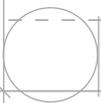
(B&P Code section 7005)

The Board shall elect the officers at the last meeting of the fiscal year. Officers shall serve a term of one year, beginning July 1 of the next fiscal year. All officers may be elected on one motion or ballot as a slate of officers unless more than one Board member is running per office. An officer may be re-elected and serve for more than one term.

Officer Vacancies

(Board Policy)

If an office becomes vacant during the year, an election shall be held at the next meeting. If the office of the Chair becomes vacant, the Vice Chair shall assume the office of the Chair. Elected officers shall then serve the remainder of the term.



Committee Appointments

(Board Policy)

The Chair shall establish committees, whether standing or special, as he or she deems necessary. Composition of the committees and the appointment of the members shall be determined by the Board Chair in consultation with the Vice Chair, Secretary, and Registrar. When committees include the appointment of non-Board members, all interested parties should be considered.

Attendance at Committee Meetings

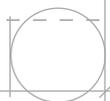
(Board Policy)

If a Board member wishes to attend a committee meeting of which he or she is not a member, the Board member shall obtain permission to attend from the Board Chair and shall notify the committee chair and staff. Board members who are not members of the committee that is meeting cannot vote during the committee meeting. If there is a quorum of the Board at a committee meeting, Board members who are not members of the committee must sit in the audience and cannot participate in committee deliberations.

Participation at Committee Meetings

(Government Code section 11122.5 et seq.)

When a majority of the members of the Board are in attendance at an open and noticed meeting of a standing committee, members of the Board who are not members of the standing committee may attend only as observers. Board members who are not members of a committee where a majority of the members of the Board are present, can not ask questions, talk, or sit with the members of the committee at the meeting table.



AGENDA ITEM J-7

Tentative Board Meeting Schedule

Following is a list of Board meetings scheduled for 2015:

September 3, 2015 San Diego
December 2015..... To Be Determined



AGENDA ITEM K

Future Agenda Items



AGENDA ITEM L

Adjournment



JUNE 19, 2015
FAIRFIELD, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Board Meeting

DAY 2



AGENDA ITEM A

Call to Order Establishment of Quorum

Roll is called by the Board Chair or, in his/her absence, by the Board Vice Chair or, in his/her absence, by a Board member designated by the Board Chair.

Eight members constitute a quorum at a CSLB Board meeting, per Business and Professions Code section 7007.

Board Member Roster

KEVIN J. ALBANESE

ROBERT LAMB

AGUSTIN BELTRAN

ED LANG

LINDA CLIFFORD

MARLO RICHARDSON

DAVE DE LA TORRE

FRANK SCHETTER

DAVID DIAS

PAUL SCHIFINO

SUSAN GRANZELLA

JOHNNY SIMPSON

JOAN HANCOCK

NANCY SPRINGER

PASTOR HERRERA JR.



AGENDA ITEM B

Public Comment Session for Items Not on the Agenda

(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)). The Board Chair will allow public comment during other agenda items at his/her discretion.

BOARD AND COMMITTEE MEETING PROCEDURES

To maintain fairness and neutrality when performing its adjudicative function, the Board shall not receive any substantive information from a member of the public regarding matters that are currently under or subject to investigation, or involve a pending or criminal administrative action.

- (1) If, during a Board meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be instructed to refrain from making such comments.
- (2) If, during a Board meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the Board will address the matter as follows:
 - (a) Where the allegation involves errors of procedure or protocol, the Board may designate either its Registrar or a board employee to review whether the proper procedure or protocol was followed and to report back to the Board.
 - (b) Where the allegation involves significant staff misconduct, the Board may designate one of its members to review the allegation and to report back to the Board.
- (3) The Board may deny a person the right to address the Board and have the person removed if such person becomes disruptive at the Board meeting.



AGENDA ITEM C

Discussion with Nevada State Contractors Board



AGENDA ITEM C-1

Discussion Regarding Economic Forecasts for Construction



Economic Forecast Highlights California/Nevada Joint Board Meeting

NATIONAL TRENDS & DATA

- **Construction Start Forecasts (\$ Billions) – 2015 Forecast**
 - Total Construction – \$611,950 (+9% from 2014)
 - Residential – \$256,875 (+13% from 2014)
 - Single Family – \$189,675 (+15% from 2014)
 - Multi-Family – \$67,200 (+9% from 2014)
 - Non-residential – \$215,775 (+8% from 2014)
 - Non-buildings – \$139,300 (+3% from 2014)
- **Annual rate of construction spending (in billions):**
 - 2013 – \$266.5 (public); \$663.9 (private); **\$908.4 Total**; 2014 - \$268.6 (public); \$683.9 (private); **\$952.5 Total**
- **The value of U.S. private construction put-in-place has grown**
 - \$277 billion – Value of public construction in November 2014; \$975 billion – Total construction put-in-place in November 2014. Approximately 1/3 was non-residential spending.
- **2014 saw a spike in demand for both new and remodeled space.**
 - Non-residential construction starts are increasing as vacancy levels decrease
 - For industrial properties, vacancy has declined from 8.9% in 2012 to 7.2% in Q4 of 2014.
 - Office vacancy rates dropped from 14.1% to 10.9% in that same time.
- **Construction Backlog Index is growing**
 - National average at 8.88 months
- **Construction Employment is growing faster than overall employment**
 - 233,000 construction jobs added in 2014.
 - Overall, productivity has declined despite the growth in construction employment, as many new workers are under-trained for construction jobs.
 - The percent increase in construction jobs is back to pre-recession levels.
- **Overall retail construction slows, but demand for outlet space flourishes.**
 - Between 2013-16, it is estimated 21 million sq. ft. of outlet center space will have been delivered.
 - As a percentage of all space, malls and specialty centers are the most active in current construction activity.
- **E-commerce and large scale development are driving industrial demand growth.**
 - E-commerce has been the fastest growing segment of the retail market, creating a need for new types of industrial development
 - More companies looking to develop larger industrial spaces that can serve multiple markets, i.e., consolidation of services into one large warehouse.
 - Construction can expect more large-scale projects to come as a result of this trend.
- **AGC OUTLOOK AS OF APRIL 3, 2015**
 - Construction declined by 1,000 in March but is still up by 282,000 compared to the year prior.
 - Construction unemployment rate fell to 9.5% - declining demand for residential and public sector projects offset gains in other areas to contribute to the overall month job losses. This is following a 14-month steady job gain.
 - Construction employment totaled 6.344 million in March, compared to 6.345 million in February.
 - Residential building and specialty trade contractors lost 2800 jobs since February, but added 136,300 jobs over 12 months.
 - Residential building contractors added 3700 jobs for the month, while residential specialty trade contractors lost 6500 jobs compared to February.
 - Non-Residential contractors hired a net of 1100 workers for the month and 145,000 (3.8%) since March 2014.
 - Non-residential specialty trade and building contractors added a combined 5,000 jobs for the month, while heavy and civil engineer contractors lost 3,900 since February.
 - Spending data showed declining investments in residential and public sector construction projects offsetting growth for private, non-residential construction.
 - Industry's recovery could continue to suffer if public sector investments continue to decline and the residential market remains weak.
 - Three macro issues will be fueling major private construction work nationally in the next 12-18 months
 - Growth of multi-family housing
 - Shale oil boom fueling jobs in the construction sector (well field prep, road and pipeline construction), as well as more petrochemical plants built and natural gas power plants
 - Improvements to Panama Canal and growth at the West Coast ports of Oakland, Seattle & Long Beach

STATE TRENDS & DATA

• AGC OUTLOOK AS OF APRIL 21, 2015

- California and Idaho have largest 12-month gains
 - California added more new construction jobs (46,300 or 6.9%) between March 2014-2015 than any other state. Also the highest in adding jobs in the last month (7,300 or 1%).
 - Other states that added a high number of construction jobs included Texas, Florida, Washington, Illinois, Idaho, North Dakota, Washington, and Colorado.
 - Nevada had the third highest percent increase for the month, adding 1,300 jobs (2%).
- Construction jobs added in 41 states between March 2014-2015, but construction employment declined in 29 states and DC between February and March.
 - States that lost the most construction jobs include Ohio, Kentucky, Georgia, Arkansas, West Virginia, and New Mexico.

• NEVADA

- **State Construction Employment (seasonally adjusted), March 2014 – March 2015**
 - March 2014 – 61,600; January 2015 – 65,400; February 2015 – 64,200; March 2015 – 65,500
 - 1,300 (2%) One-month gain (ranked #2 nationally)
 - 3,900 (6.3%) Twelve-month gain (ranked #15 nationally)
- Nevada experienced a 14% construction employment growth in 2014 following a five-year recession.
- Construction worker pay in Nevada averages \$51,400 or 20% more than all private sector employees in the state.
- Multi-family housing starts are climbing in the Reno area, fueled by the recent construction of student housing around the university district. Sparks is expected to pick up in the multi-family marketplace as the Tesla plant and other jobs in the Reno-Tahoe Industrial Center start to come on line.
- New Amazon facility another construction, employment, and housing driver.
- High prices of office space in Northern California could drive office space growth in Reno.
- Unemployment rate has dropped to its lowest level in more than five years.
- Nevada is growing at 2.5-3% annually, which is still under the 4% growth the state was enjoying in 2005-2006.
- Housing prices are more sustainable, although prices for vacant lands are escalating.
- Demand for apartments/multi-family units on the rise.
- Nevada has added more than 100,000 between 2010 and 2014 in the private sector, making Nevada's overall job growth stronger than 48 other states.
- Construction employment projected to add 6,700 jobs in 2015 and 9,800 jobs annually by 2017.
- Tesla factory expected to create up to 6,500 on-site jobs – 12% in construction.

• CALIFORNIA

- **State Construction Employment (seasonally adjusted), March 2014 – March 2015**
 - March 2014 – 667,300; January 2015 – 697,100; February 2015 – 706,300 ; March 2015 – 713,600
 - 7,300 (1%) One-month gain (ranked #10 nationally)
 - 46,300 (6.9%) Twelve-month gain (ranked #13 nationally)
- Over 250,000 new construction jobs expected to be created over the next four years – about 25% of the 1.3 million jobs California will add by 2018. These employment projections, although high, will still not meet pre-recession figures.
- Construction of more multi-family residential buildings means fewer workers are needed per unit. In the past, 70% of new homes were single family, now the mix is 50/50.
- The industry has recovered just 30% of the 2.2 million jobs it lost between 2006-2010.
- In 2014, California gained construction jobs at more than twice the rate of the overall labor market.
- Private construction is 70% of market; Public is 30% of market.
- There are still 1.5 million fewer construction jobs today than in 2007.

Home >> Positive outlook for construction in 2015

Positive outlook for construction in 2015

December 17, 2014 By [This is Reno](#)

SUBMITTED BY AGC

A stable and climbing construction economy picture, both nationally and locally, was painted Wednesday at the Nevada Chapter Associated General Contractor's annual Construction Economic Outlook.



AGC National Economist Ken Simonson cited double digit construction employment growth of nearly 14 percent this year after Nevada suffered through a five-year recession which chopped 17,000 construction jobs in the region. But finding and retaining employees to re-fill that gap will be a challenge.

"Material costs look to be fairly flat in 2015," Simonson said. "Employment costs and the availability of workers will be issues in the coming year."

Simonson noted that a September survey of 1,100 AGC firms found that 83 percent will be seeking to find employees in one or more craft sectors and that 62 percent will be seeking professional or management positions with their firms during 2015. Construction worker pay in Nevada averages \$51,400, 20 percent more than all private sector employees in the state.

Brian Bonnenfant, Project Manager for the Center for Regional Studies at the University of Nevada, concurred that the search for employees will be a key issue for Nevada's construction and non-construction firms in the coming year.

"Since the recession peaked in 2006, we have to replace 22,800 lost jobs," Bonnenfant said. "That is what is expected to be replaced by the Tesla plant, but there are other jobs creators coming to the market."

Bonnenfant said the slow but steady job recovery has had one glitch, 31 percent of the area's jobs have wages that are not keeping up with the rate of inflation.

He said Reno's image issue is being positively influenced by the Tesla announcement, as well as efforts to get potential businesses "on the ground" to visit the area first-hand.

"Getting them on site, in the community, has really changed their perception of Reno," he said

While public sector infrastructure should see flat growth in the coming year, three macro issues will be fueling major private construction work nationally in the next 12-18 months, Simonson said.



Multi-family housing will be a growth area as young adults are not buying first homes due to job locations in high-cost urban areas and many are coming out of college with high debt, he said. Lower fertility rates and a generation that is waiting to get married is keeping first-time and move-up buyers out of the single-family housing marketplace.

The shale oil boom will continue to fuel jobs in the construction sector nationally with well field

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POPULAR TODAY

POPULAR

TODAY WEEK MONTH ALL

Rancho San Rafael Dog Park Area Closing

Let's Break This Down: Why Would Anybody Want to Transition?

Economic Development Conference Brings Top Thinkers Together to Discuss Region's Future

preparation, road and pipeline construction projects. The nation will also see more petrochemical plants being built and natural gas power plants as a result of increased national energy production.

Improvements to the Panama Canal to allow it to handle the new class of super cargo ships should spur construction and growth at the West Coast ports of Oakland. Seattle and Long Beach, all improving Nevada's access to world markets and thus the logistics and warehousing markets, Simonson said.

Nevada is well-positioned to take advantage of these trends, Simonson said. Lodging and data centers are other areas for potential growth in the Silver State and nationally, he added.

Multi-family housing starts are climbing in the Reno area, fueled by the recent construction of student housing around the university district. Sparks is expected to pick up in the multi-family marketplace as the Tesla plant and other jobs in the Reno-Tahoe Industrial Center start to come on line, Bonnenfant said.

Ken Stark and Brad Elgin of Stark & Associates presented the industrial/commercial outlook for 2015.

"Lack of industrial inventory combined with increased demand is driving sales prices," Elgin said. "A north Reno warehouse that was sold in 2013 for \$29 a square foot is now being offered for \$48 per square foot.

"From a national standpoint we have gained a lot of attention with the Tesla announcement and the new Amazon facility," Elgin said. "Expansion from that attention will be reflected in the Reno-Tahoe Industrial Center and Stead. It will also change the face of Northern Nevada industrial expansion to include outlying areas such as Fernley, Dayton and Minden-Gardnerville."

Office space vacancies have tumbled since a recession high that exceeded 20 percent, Stark said. The current office vacancy rate in the Reno-Sparks area is slightly above 14 percent and is projected to drop another percent in 2015, he said.

New office construction will be minimal and in Reno isolated to the south Kletzke area and the proposed Rancharrah mixed-use development. Much of the construction work in the office sector will be with tenant improvements and remodels, Stark said.

One factor that could drive office space growth in Reno is the high cost of office space in Northern California. Average prices of \$8 a square foot in San Francisco and as much as \$4 a square foot in the outlying Bay Area may drive inquiry to Reno, where the average square foot rates is slightly above \$1.50, Stark said.

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Economic Forecast: 2015 Preview

December 1, 2014 By Chris Sieroty – Comments

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NEVADA NEWS &

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Economists and industry analysts can, and will, argue over whether an economic recovery is as strong as numbers seem to indicate. However, they do agree the numbers show

Nevada's economy is on track to strengthen and add more jobs in 2015 because many of the impediments to faster growth have subsided.



The unemployment rate has dropped to its lowest level in more than five years, real estate is on the rebound, manufacturers and construction companies are adding jobs and gaming, especially on the Strip, has shown consistent improvement.

"We are still in recovery," said Brian Bonnenfant, project manager of **The Center for Regional Studies** at the **University of Nevada, Reno**. "It's not at pre-recession levels, but it's a sustainable recovery."

Bonnenfant said Nevada is growing at 2.5 percent or 3 percent annually, which is still under the 4 percent growth the state was enjoying in 2005 and 2006.

This year's predictions offer more good news, a trend that was reported in Nevada Business Magazine's annual Economic Forecast last year. While most business owners remain cautious as we head into 2015, economists believe Nevada's future is bright.

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NEVADA BUSINESS CALENDAR

Southern Nevada Family Owned Business Awards

May 6, 2015 11:30 am

Location: Springs Preserve, 333 South Valley View Boulevard, Las Vegas, NV 89107, United States

[More details...](#)

Northern Nevada Family Owned Business Awards

May 7, 2015 11:30 am

Location: Peppermill Resort Spa Casino, 90 West Grove Street, Reno, NV 89509, United States

[More details...](#)

Vegas PBS Presents the 2015 SBA Luncheon

May 21, 2015 11:30 am

Location: Gold Coast Hotel and Casino Las Vegas, 4000 West Flamingo Road, Las Vegas, NV 89103, United States

[More details...](#)

More importantly, the state's economic forecast is sustainable, and not driven by speculation in a number of crucial industries, including the housing market. So, what will other sectors do in 2015 to continue Nevada's recovery?

Real Estate

After the roller coaster of the boom and bust in Nevada real estate, Southern Nevada has started to see values continue to climb as new home prices are now approaching \$300,000 and resale prices are at \$175,000, according to **Applied Analysis** in Las Vegas.

"We are well off from where we were at the bottom of the recession," said Brian Gordon, a principal with Applied Analysis. "Values are probably more in line with where they should be. We've seen the trend line start to flatten, but we are at or above where they finished last year."

Gordon said we've gotten off the roller coaster that housing prices have been on over the last decade. He also described housing prices as more "sustainable," with price appreciation averaging about 10.6 percent, down from a pre-recession high of about 30 percent.

Currently, the new home median price in the Las Vegas area is \$290,357, up 8.6 percent from \$267,254 last year. The median existing home closing price is \$173,927, a 12.2 percent increase from \$155,000 in 2013.

Going forward into 2015, Gordon believes demand is expected to remain stable, as price increases remain affordable for both new home and existing home sales.

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Gordon did caution that prices are escalating on vacant land. "Home builders are more aggressive on land acquisition," he said.

For example, the Cadence community in Henderson has sold off more than 225 acres of the total 2,200 acres to home builders.

Gordon said the improving real estate market extends to multi-family units. "Apartments are coming," he said.

"Demand is up across the board. Some residential parcels are selling for \$400,000 an acre, with the broader market seeing prices of \$300,000 an acre."

In Northern Nevada, **Tesla Motors Inc.**'s planned \$5 billion battery factory is expected to have a modest impact on home and apartment prices over the next few years.

Most residents believe that impact will be in Fernley and Silver Springs, but others believe the housing demand could stretch as far as downtown Reno. Prices and rents will be impacted as workers move into the region to work in the factory or in the thousands of jobs that are created to support the new industry.

Bonnenfant said he wasn't sure if the housing market in Northern Nevada in 2015 would be a catalyst for growth. But, housing prices are appreciating between 4 and 6 percent without the speculation that affected the real estate market before the recession.

"Single family home prices are very maintainable," Bonnenfant said. "They should remain that way as long as we stay affordable." He added that the region still has some 20,000 approved and un-built single-family homes.

Employment

Nevada has suffered from one of the highest unemployment rates in the country over the last few years. The state lost 175,000 jobs during the recession, driven by dramatic losses in the construction, gaming and manufacturing industries.

That trend is finally behind us as the job market continues to accelerate. The employment market has recovered creating nearly 100,000 jobs since 2010, said Bill Anderson, chief economist with the Nevada Department of Employment, Training and Rehabilitation (DETR) in Carson City.

"From 2010 to 2013, we added about 60,000 jobs in the private sector," said Anderson. "Through the first nine months of 2014 we added 40,000 private sector jobs. By the time the year ends, we would have created more than 100,000 jobs."

Now Nevada's job growth is stronger than 48 other states, said Anderson.

"We had one of the strongest economies in the nation prior to the recession," the veteran economist said. "We were outperforming every other state. But during the recession, we had the most pronounced job losses in the country. It wasn't until 2011 that we started making up for those losses."

Anderson said the recession hit discretionary income, consumer spending and construction especially hard, due to the collapse of the real estate market throughout Nevada. Those were the two most significant drivers of our

downturn, Anderson said.

"We were ground zero for the recession," Anderson said, adding that Nevada's reliance and downfall due to a collapsed housing market was similar to Arizona, Florida and Georgia.

Job growth is now up across almost every sector, including construction, which Anderson is projecting will add 6,700 jobs this year. He said by 2017, Nevada will create 9,800 construction jobs annually.

"We lost 100,000 construction jobs during the recession," Anderson said. "Employment in the construction sector bottomed out at 50,000. By the end of 2017, we are going to be back up to about 89,000 construction jobs."

Construction jobs statistics are dominated by Clark County, which has a population upwards of two million. The job gains in construction have been fairly large percentage-wise. However, Anderson said, coming off of such historic lows those numbers look impressive.

Anderson's construction employment outlook includes workers hired to build Tesla's factory in the Tahoe-Reno Industrial Center in Storey County, along with new gaming and retail projects on the Strip.

The factory, which is expect to open in stages and be fully operational by 2017, will create up to 6,500 on-site jobs. The **Governor's Office of Economic Development (GOED)** forecast 16,000 indirect jobs will be created to support the factory and its employees.

Sixteen percent of the jobs are expected to be in retail, 13

percent in wholesale and 12 percent in construction, administrative and support services. Professional, scientific and technical services at 11 percent; food services at 8 percent and healthcare at 8 percent.

"It's a relatively broad based recovery," Anderson said. "The leader in job growth this year is professional and business services, which is up by 10,400 [jobs]. Leisure and hospitality is up by 9,300 jobs. Everything except mining is showing improvement."

Professional and business services include jobs such as tax preparers, temporary employment and accounting and legal firms.

He said employment in mining was down by about 300 jobs, which was expected. Anderson said mining was not a declining industry, but the job figures showed the industry was moderating.

Heading into 2015, Anderson expects the solid jobs gain to continue, driven by modest gains in construction, gaming and hospitality and professional and business services.

"Employment in the Las Vegas leisure and hospitality industry hasn't recovered as fast as nonfarm employment, increasing by only 1.2 percent and 2.3 percent in 2012 and 2013, respectively," according to research published by the **Center for Business and Economic Research (CBER)** at UNLV. "As the U.S. and the world economies continue to improve and bring more visitors and spending to Las Vegas, we expect leisure and hospitality employment to continue growing."

DETR projects year-over-year employment growth from

2014 through 2017 at 49,000 jobs annually.

Retail

While employment growth is the key to an overall economic recovery, retailers believe a good holiday season this year will increase consumer confidence and carry the sector into 2015. Bryan Wachter, senior vice president with the **Retail Association of Nevada**, says, for the most part, he expects a steady increase next year.

"We have been optimistic," Wachter said. "There has been lots of new [retail] development and new stores coming out of the recession. It's a sign that consumers are willing to spend again. Our biggest take-away from 2014 is that reinvestment."

The Retail Association of Nevada anticipates a 4 to 5 percent increase in sales in 2015. Wachter said holiday hiring is expected to reach 7,600 in Nevada, with 10 percent to 12 percent of those employees carrying on in full-time positions.

"Nevada has continued its upward trend in terms of both employment and taxable retail sales," Wachter said. "Total employment in Nevada has experienced 44 months of consecutive year-over-year growth, while retail trade employment has shown 47 months of consecutive year-over-year growth. On the spending side, overall taxable retail sales have had 49 months of consecutive year-over-year growth. The addition of seasonal hires will likely add to overall holiday spending this year."

Gaming and Tourism

that Reno-Tahoe International Airport will be offering nonstop flights this month to Guadalajara, Mexico. The twice-weekly flights to Mexico will have an estimated \$20 million economic impact on the region annually.

Economic Growth and Tesla

Economic development has been a hot topic over the last several years, as officials statewide continue to implement their strategies to diversify Nevada.

Nevada's economy has been driven by gaming, construction and mining for years. However, the state is now pinning its hopes for diversification on Tesla Motors and the development of unmanned aerial vehicles, or the drone industry.

Bonnenfant credited the **Economic Development Authority of Western Nevada (EDAWN)** with the activity over the last couple of years. He said **California's high tax environment is also responsible for companies moving to Northern Nevada.**

"Reno is not going to be Las Vegas," Bonnenfant said. "What we are trying to be is a diversified economy with transportation, warehousing, manufacturing and technology companies."

Bonnenfant indicated that Las Vegas still relies heavily on casinos, while Northern Nevada, which used to be gaming centric, took a while to wean off that industry. In addition, Reno is now keeping UNR graduates home, many of whom start technology companies in the city's tech corridor downtown, which has been nicknamed "Startup Row". Bonnenfant says Reno is changing its reputation with the

help of Apple and Tesla. The area's low taxes are also drawing e-commerce ventures as much as gamblers.

In Las Vegas, the efforts to diversify the region's economy has been overseen by the Las Vegas Global Economic Alliance (LVGEA). No doubt gaming is still king, with about \$12 billion in developments planned, including Genting Group's \$4 billion Resorts World Las Vegas.

The development is located on the 87-acre Strip site that was once home to the Stardust and where the unfinished Echelon stands. The LVGEA has been successful in recent months attracting diversified companies to Southern Nevada, including Creative International, R.W. Garcia and Catamaran. That trend is expected to continue in 2015.

Crystal Ball

Experts are predicting that growth in Nevada next year will be steady, and not the roller coaster ride the state experienced in the years leading into the recession in 2008. A good sign, economists say as more companies and job opportunities arrive here looking for shelter from high tax states.

However, problems do persist both nationally and locally. Nevada's education system still ranks near the bottom, funding issues abound and wages are stagnant for many Nevadans. The Southern Nevada economy is dependent on leisure and hospitality, and large changes to economies that send tourists to Las Vegas could compromise our ongoing recovery. Overall, Bonnenfant expects growth between 2.5 percent and 3 percent in 2015. And, as the recession has taught the Silver State, any growth is welcome.



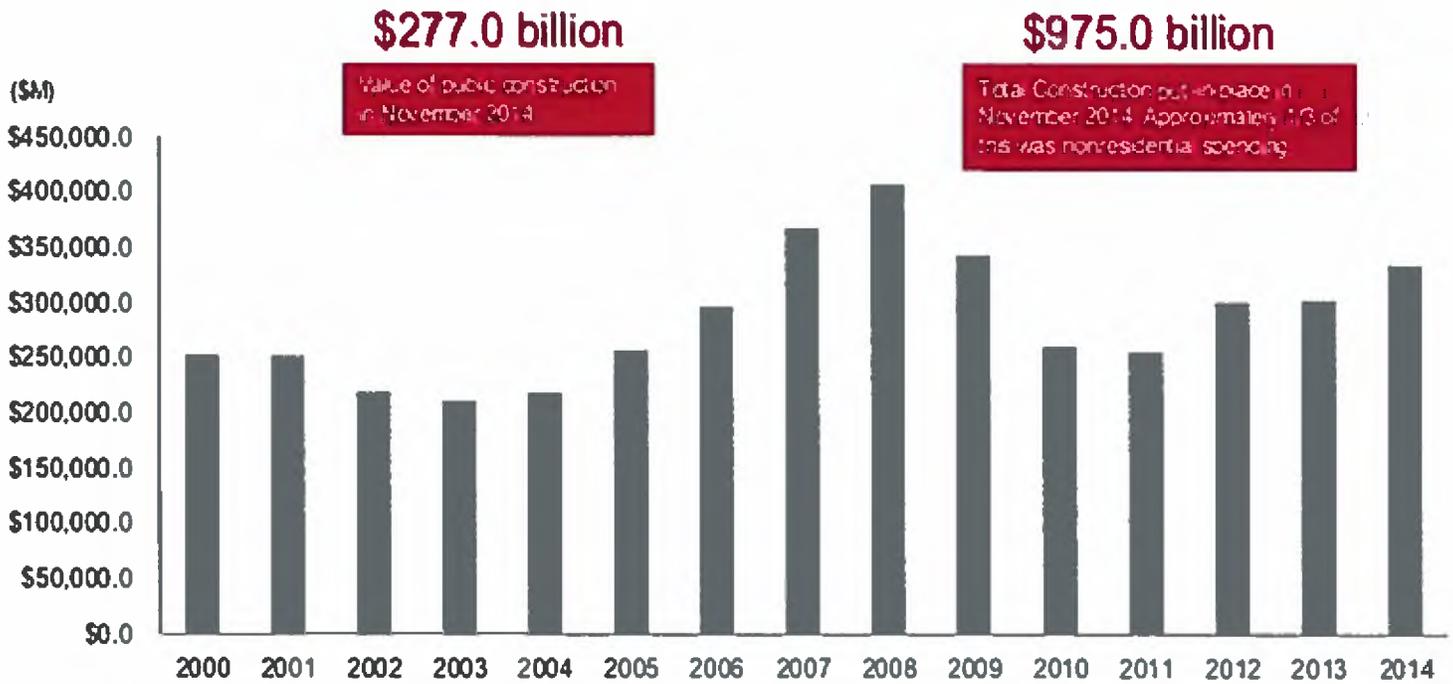
State Construction Employment (seasonally adjusted), 3/14-3/15

	March	January	February	March	1-month gain or loss			12-month gain or loss		
	2014	2015	2015	2015	Number	%	% rank	Number	%	% rank
Alabama	79,100	80,700	81,700	80,500	-1,200	-1.5%	38	1,400	1.8%	30
Alaska	17,700	18,300	17,700	17,600	-100	-0.6%	27	-100	-0.6%	44
Arizona	126,100	129,600	128,600	128,000	-600	-0.5%	26	1,900	1.5%	31
Arkansas	44,700	49,000	49,500	46,100	-3,400	-6.9%	51	1,400	3.1%	22
California	667,300	697,100	706,300	713,600	7,300	1.0%	10	46,300	6.9%	13
Colorado	139,200	150,900	153,900	153,700	-200	-0.1%	22	14,500	10.4%	4
Connecticut	54,400	55,800	55,500	54,700	-800	-1.4%	37	300	0.6%	38
Delaware*	20,200	19,900	20,100	20,500	400	2.0%	2	300	1.5%	31
District of Columbia*	14,200	14,500	14,300	14,200	-100	-0.7%	28	0	0.0%	42
Florida	387,000	413,700	417,900	424,400	6,500	1.6%	5	37,400	9.7%	6
Georgia	153,600	156,300	159,300	155,800	-3,500	-2.2%	42	2,200	1.4%	33
Hawaii*	31,500	32,000	32,000	32,300	300	0.9%	11	800	2.5%	26
Idaho	35,200	39,200	39,900	40,400	500	1.3%	7	5,200	14.8%	1
Illinois	197,100	207,700	210,100	213,700	3,600	1.7%	4	16,600	8.4%	8
Indiana	122,200	120,200	120,500	120,300	-200	-0.2%	23	-1,900	-1.6%	49
Iowa	71,200	77,000	77,300	77,400	100	0.1%	18	6,200	8.7%	7
Kansas	60,200	61,000	62,500	62,000	-500	-0.8%	30	1,800	3.0%	23
Kentucky	72,000	75,100	76,200	72,100	-4,100	-5.4%	50	100	0.1%	41
Louisiana	136,200	138,000	138,200	137,700	-500	-0.4%	24	1,500	1.1%	35
Maine	25,900	25,300	25,700	25,700	0	0.0%	20	-200	-0.8%	46
Maryland*	149,100	153,100	151,900	150,400	-1,500	-1.0%	33	1,300	0.9%	36
Massachusetts	126,000	130,100	129,100	127,000	-2,100	-1.6%	40	1,000	0.8%	37
Michigan	138,100	151,100	151,400	152,500	1,100	0.7%	14	14,400	10.4%	4
Minnesota	105,000	104,400	106,000	105,200	-800	-0.8%	30	200	0.2%	40
Mississippi	50,600	44,900	47,100	48,200	1,100	2.3%	1	-2,400	-4.7%	50
Missouri	110,700	111,200	113,600	110,600	-3,000	-2.6%	46	-100	-0.1%	43
Montana	24,800	25,300	25,400	25,400	0	0.0%	20	600	2.4%	27
Nebraska*	46,400	46,200	46,400	45,800	-600	-1.3%	35	-600	-1.3%	48
Nevada	61,600	65,400	64,200	65,500	1,300	2.0%	2	3,900	6.3%	15
New Hampshire	23,200	24,400	23,800	23,900	100	0.4%	16	700	3.0%	23
New Jersey	138,500	150,100	152,000	149,700	-2,300	-1.5%	38	11,200	8.1%	9
New Mexico	42,000	43,800	43,500	42,200	-1,300	-3.0%	48	200	0.5%	39
New York	333,700	345,400	342,100	342,500	400	0.1%	18	8,800	2.6%	25
North Carolina	176,900	187,600	191,400	189,000	-2,400	-1.3%	35	12,100	6.8%	14
North Dakota	33,100	36,400	37,500	37,100	-400	-1.1%	34	4,000	12.1%	2
Ohio	192,700	192,600	195,800	191,300	-4,500	-2.3%	43	-1,400	-0.7%	45
Oklahoma	75,600	77,700	78,500	76,500	-2,000	-2.5%	45	900	1.2%	34
Oregon	79,400	81,000	81,900	81,300	-600	-0.7%	28	1,900	2.4%	27
Pennsylvania	225,600	233,700	231,000	233,700	2,700	1.2%	9	8,100	3.6%	19
Rhode Island	16,300	16,900	16,500	16,100	-400	-2.4%	44	-200	-1.2%	47
South Carolina	81,400	83,400	86,200	87,300	1,100	1.3%	7	5,900	7.2%	12
South Dakota*	22,000	22,900	23,500	23,600	100	0.4%	16	1,600	7.3%	11
Tennessee*	109,500	114,800	116,300	114,300	-2,000	-1.7%	41	4,800	4.4%	18
Texas	633,800	677,100	678,900	673,100	-5,800	-0.9%	32	39,300	6.2%	16
Utah	78,300	83,300	85,200	82,800	-2,400	-2.8%	47	4,500	5.7%	17
Vermont	14,800	15,400	15,200	15,300	100	0.7%	14	500	3.4%	21
Virginia	176,900	179,700	181,200	180,500	-700	-0.4%	24	3,600	2.0%	29
Washington	156,800	172,400	172,900	175,700	2,800	1.6%	5	18,900	12.1%	2
West Virginia	33,200	32,400	32,200	30,800	-1,400	-4.3%	49	-2,400	-7.2%	51
Wisconsin	101,600	110,000	108,700	109,600	900	0.8%	12	8,000	7.9%	10
Wyoming	23,000	23,300	23,600	23,800	200	0.8%	12	800	3.5%	20

*Mining and logging is combined with construction.

The value of U.S. private construction put-in-place has **grown**.

Due to an increase in new, trophy office development



Source: JLL Research, Moody's Analytics, Census Bureau



2014 saw a **spike in demand** for both new and remodeled space.

Nonresidential construction starts are growing as vacancy declines

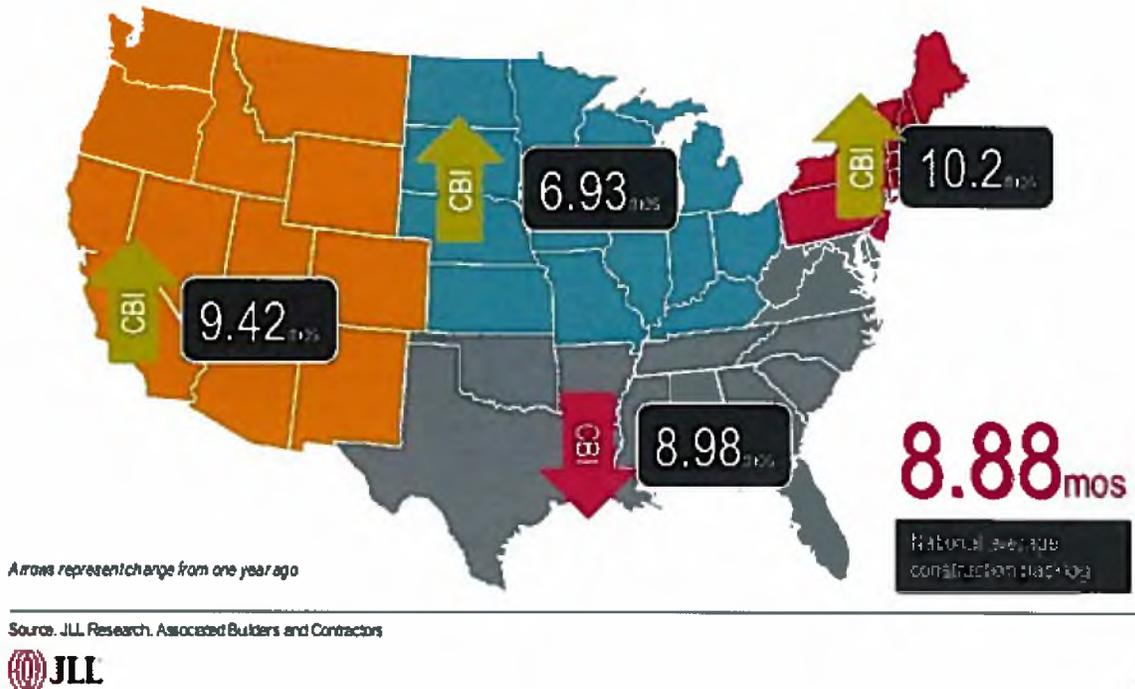


Source: JLL Research, CoStar, McGraw Hill

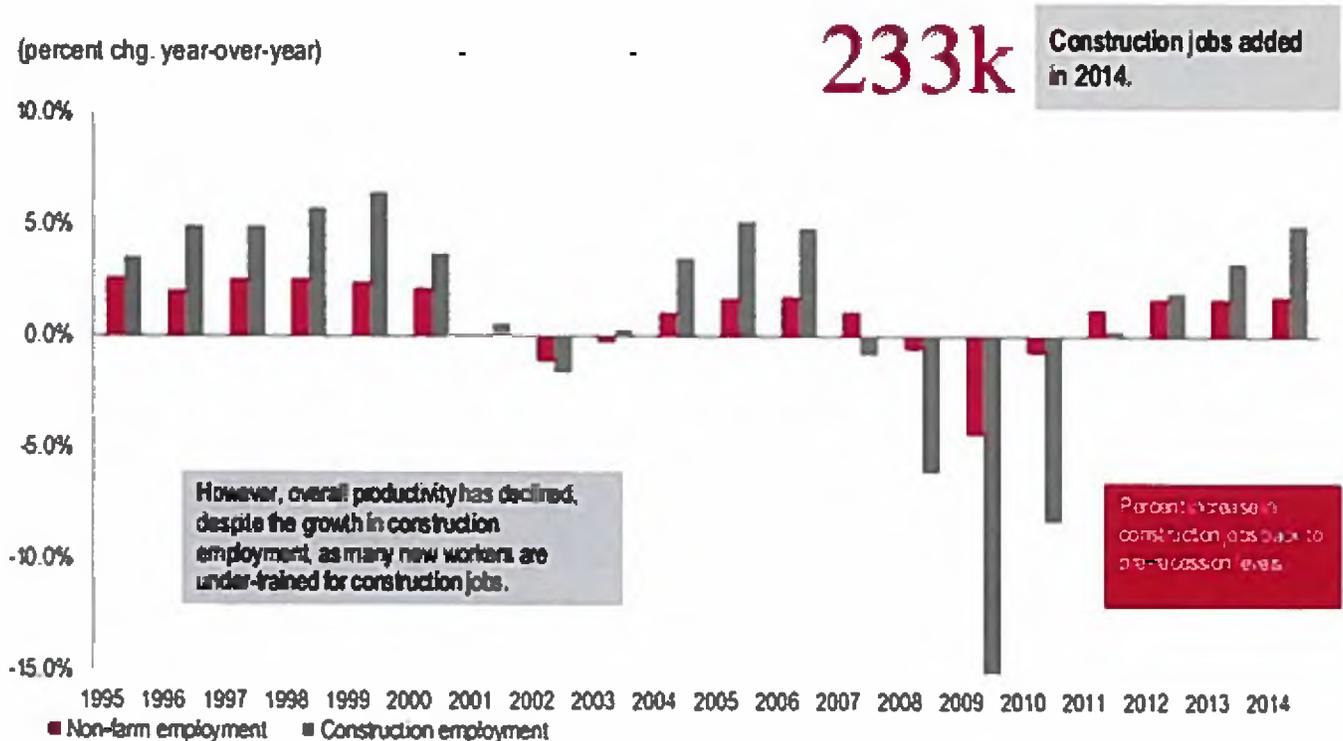


The Construction Backlog Index is growing

Due to the rebound of construction activity in communities previously stagnated by the financial crisis, the South is behind in construction, but is positioned to expand



Construction employment is growing faster than overall employment



Source: JLL Research, Bureau of Labor Statistics

Overall retail construction slows, but demand for **outlet space** flourishes.

- Between 2013 and 2016, it is estimated that 21 million square feet of outlet center space will have been delivered
 - Consumers are motivated by discounts on name brand products
 - Outlet development will continue to penetrate new markets as various submarkets begin to emerge from the recession
- As a percentage of all space, malls and specialty centers are the most active in current construction activity
- Retail is a rising market in many U.S. markets, with Miami and Dallas leading the pack- indicating more development in these markets is to come
- Due to lifestyle changes, as more people move to urban core settings, mixed use retail is becoming a more integral part of retail development

Source: JLL Research



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The development of **e-commerce** and **large scale development** are driving industrial demand growth.

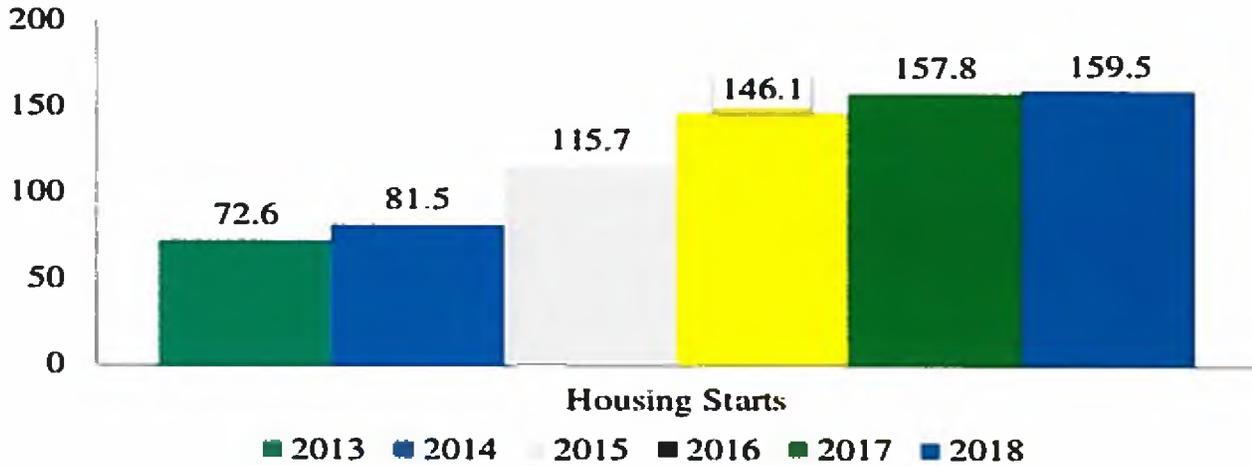
- e-commerce has been the fastest-growing segment of the retail market, creating a need for new types of industrial development
 - These buildings need more office space and parking, as they need to house more onsite employees than traditional industrial buildings
 - The "guts" of these buildings need more automation- there will be increased demand for build outs of existing space to fit these parameters
- Companies are working to enhance economies of scale post-recession, are developing larger industrial spaces that can serve multiple markets
 - Consolidation of services into one large warehouse key to industrial development
 - More large-scale construction projects to come due to this trend

Source: JLL Research, UrbanLand Institute



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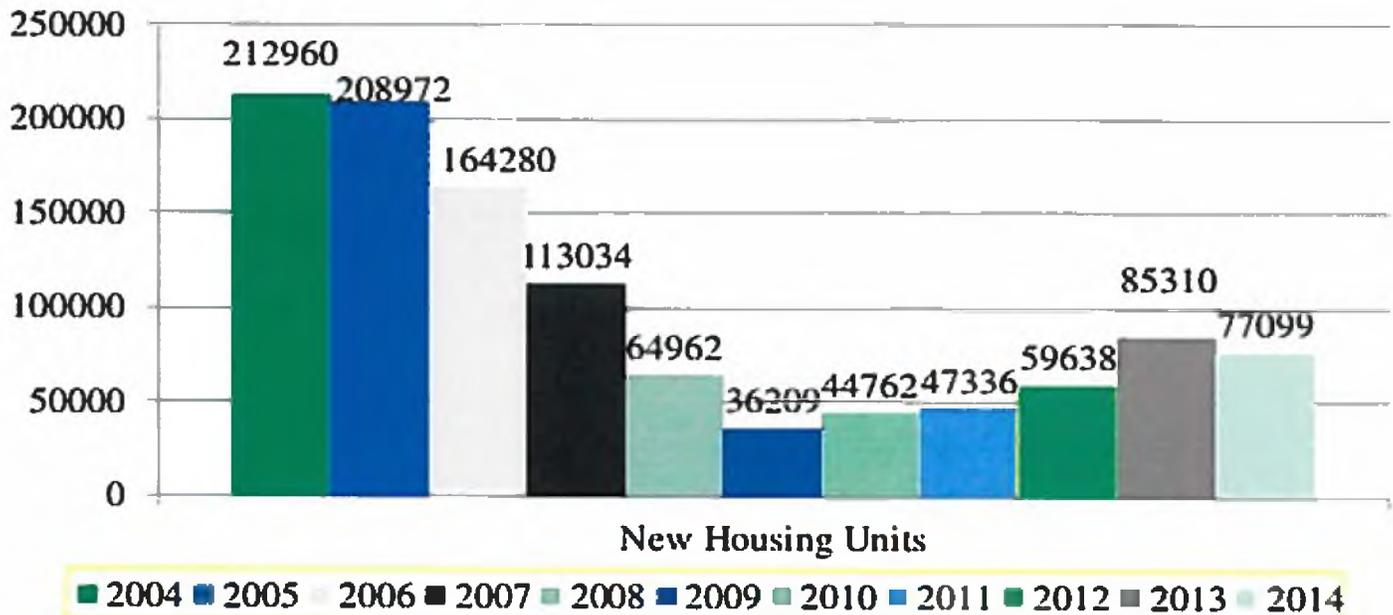
California New Housing Starts Forecast (thousands)



'Eberhard School of Business, Metro Forecast, September 2014

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California Housing Starts-2004-2014



Information from the California Building Industry Foundation. 2014 data is through November 2014

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United States Construction Starts (\$ Billions) (McGraw Hill)

In billions	2013 Actual	2014 Estimate	2015 Forecast	% change 13-14	% change 14-15
Total Construction	534,467	563,875	611,950	+5.5%	+9.0%
Residential	209,982	227,375	256,875	+8.3%	+13%
Single Family	159,131	165,450	189,675	+4.0%	+15.0%
Multifamily	50,851	61,925	67,200	+21.8%	+9.0%
Nonresidential	176,670	200,600	215,775	+13.5%	+8.0%
Nonbuildings	147,915	135,900	139,300	-8.1%	+3.0%

ENR Magazine, November 17/24, 2014, p 11

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Annual Rate of Construction Spending US (Billions)¹

	Public (\$)	Private (\$)	Total (\$)
2005	256.3	904.3	1160.6
2006	280.9	896.8	1177.7
2007	297.8	842.4	1140.2
2008	319.6	737.1	1053.7
2009	309.6	593.0	902.5
2010	301.0	486.9	787.9
2011	286.6	529.7	816.4
2012	270.1	614.9	885.0
2013	266.5	663.9	908.4
2014	268.6	683.9	952.5

¹Numbers come from December Annual Construction Report for the US Census Bureau, except for 2014 numbers which came from the November Report.

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US Dept. of Commerce Construction Put in Place Year to Date 2014 (Part 1 of 2)

Value (\$ Bil)	2014 Dec.	2013 Dec.	% Chg Month	% Chg Year
Total Public	274.37	269.62	-11.9	+1.8
Res. Building	5.18	5.99	0.0	-13.5
Office	7.76	7.84	+10.4	-0.9
Commercial	1.85	2.25	-10.4	-17.6
Health Care	10.06	11.14	-5.3	-9.7
Educational	61.99	61.26	-8.8	+1.2
Public Safety	9.02	9.53	-6.0	-5.3
Amuse/Rec	8.99	8.29	-9.3	+8.4
Transportation	30.11	28.69	-8.0	+4.9
Power	11.91	12.09	+11.8	-1.5
Highway/Street	84.39	81.10	-23.8	+4.1
Sewage/Water Dis	22.24	21.34	-13.3	+4.7
Water Supply	12.35	12.90	-10.3	-4.3
Conservation	7.32	5.95	+8.9	+23.0

Other Trends

- About 250,000 new Construction Jobs are expected to be created over the next four years, about one quarter of the 1.3 million jobs California will add by 2018. Despite leading the state in job growth over the next four years, there will still be fewer construction jobs than before the recession.
- State and Local government payrolls will still be slightly below 2008 levels in 2018
- Construction of more multifamily residential buildings means few workers are needed per unit. In the past 70% of new homes in CA were single family-now the mix is 50/50.²
- The industry has recovered just 30% of the 2.2 million jobs it lost during the sub-prime mortgage crisis from 2006 to 2010. In 2014, however, it gained jobs at more than twice the rate of the overall labor market.
- Private Construction is 70% of Market/Public is 30% of market
- There are still 1.5 Million fewer construction jobs today than in 2007.⁴



¹ Eberhard School of Business, Metro Forecast, September 2013

² George Avalos, "Economic Boom Leaving Some Workers Out", San Jose Mercury News, Dec. 10 2014.

³ Paul Davidson, "Construction Hiring is Surging", USA Today, p. B1

⁴ REJournals.com

Construction is a major contributor to the U.S. economy. The industry has more than 650,000 employers with over 6 million employees and creates nearly \$1 trillion worth of structures each year. Construction is one of the largest customers for manufacturing, mining and a variety of services. A study performed for AGC by Professor Stephen Fuller of George Mason University found that an extra \$1 billion in nonresidential construction spending adds about \$3.4 billion to Gross Domestic Product (GDP), about \$1.1 billion to personal earnings, and creates or sustains 28,500 jobs:

- *9,700 jobs direct construction jobs located in the state of investment;*
- *4,600 jobs indirect jobs from supplying construction materials and services, mainly within the state where the investment occurs, but some from other states;*
- *14,300 jobs induced when workers and owners in construction and supplier businesses spend their additional wages and profits, locally and nationwide.*

AGC NATIONAL UPDATE – April 3, 2015

CONSTRUCTION EMPLOYMENT DECLINED BY 1,000 JOBS IN MARCH AS INDUSTRY'S UNEMPLOYMENT RATE HIT 9.5 PERCENT AMID DECLINING PUBLIC SECTOR DEMAND

Residential Construction and Public Works Sectors Drag Down Construction Employment Levels for First Time in 14 Months, Association Officials Call on Washington to Fund and Pass Needed Infrastructure Repairs

Construction declined by 1,000 in March but is still up by 282,000 compared to the prior year, as the sector's unemployment rate fell to 9.5 percent, according to an analysis by the Associated General Contractors of America. Association officials noted that declining demand for residential and public sector projects offset gains in other areas to contribute to the overall month job losses.

"After 14 months of steady job gains, construction employment suffered in March," said Ken Simonson, the association's chief economist. "Except for multifamily construction, home building remains weak and government officials just can't seem to find a way to pay for needed repairs to a host of aging facilities."

Construction employment totaled 6,344,000 in March, compared to 6,345,000 in February and 6,062,000 in March 2014, Simonson noted. Residential building and specialty trade contractors lost 2,800 jobs (-0.1 percent) since February but added 136,300 jobs (6.0 percent) over 12 months. Within the residential sector, however, results were split, with residential building contractors adding 3,700 jobs for the month while residential specialty trade contractors lost 6,500 jobs compared to February.

Nonresidential contractors—building, specialty trade, and heavy and civil engineering construction firms—hired a net of 1,100 workers for the month and 145,000 (3.8 percent) since March 2014. As with the residential sector, the nonresidential employment sector varied by segment. The nonresidential and specialty trade contractors and nonresidential building contractors added a combined 5,000 jobs for the month. But heavy and civil engineering contractors—who typically perform public sector projects like highway construction—lost 3,900 jobs since February.

The employment figures are consistent with February spending data released earlier this month which showed declining investments in residential and public sector construction projects offsetting growing demand for private, nonresidential construction. Simonson noted that the industry's recovery would continue to suffer if public sector investments continue to decline and the residential market remains weak.

"The threat of funding cuts for needed public infrastructure will continue to impact firms' ability to add more employees to the payroll," Simonson added.

Association officials urged Congress and the Obama administration to find a way to finance and pass needed long-term infrastructure measures to address aging transportation, energy and water systems. They noted that the association recently launched a nationwide effort called #DriveBetterRoads (link is external) designed to encourage elected officials to boost funding for aging highways and bridges, for example.

"Construction workers shouldn't have to lose their jobs because of Washington's inability to address our growing infrastructure needs," said Stephen E. Sandherr, the association's chief executive officer. "More significant, the overall economy shouldn't have to suffer from the negative impacts of greater traffic, poorer road conditions, unreliable power grids and unsafe drinking water."

- See more at: <https://www.agc.org/news/2015/04/03/construction-employment-declined-1000-jobs-march-industry%E2%80%99s-unemployment-rate-hit-95#sthash.TW5ZB9jC.dpuf>

AGC STATES UPDATE – April 21, 2015

CONSTRUCTION EMPLOYMENT INCREASED IN 41 STATES DURING THE PAST YEAR, BUT 29 STATES AND D.C. LOST JOBS IN THE SECTOR BETWEEN FEBRUARY AND MARCH

California and Idaho Have Largest 12-Month Gains, West Virginia and Mississippi Have Biggest Declines for the Year; California and Mississippi Top Monthly Rankings, Texas and Arkansas Shed Most Jobs in March

Even as construction firms added jobs in 41 states between March 2014 and March 2015, construction employment declined in 29 states and the District of Columbia between February and March, according to an analysis today of Labor Department data by the Associated General Contractors of America. Association officials cautioned that ongoing D.C. gridlock over how to pay for needed infrastructure improvements and declining demand for oil-related projects likely contributed to so many states shedding construction jobs last month.

"While the year-over-year data remains relatively positive, it is troubling to see so many states losing construction jobs during the past month," said Ken Simonson, the association's chief economist. "As energy firms cancel or delay projects and Congressional action on transportation and other infrastructure measures remains stalled, many construction firms appear to be reducing headcount, at least temporarily."

California added more new construction jobs (46,300 jobs, 6.9 percent) between March 2014 and March 2015 than any other state. Other states adding a high number of new construction jobs for the past 12 months included Texas (39,300 jobs, 6.2 percent), Florida (37,400 jobs, 9.7 percent), Washington (18,900 jobs, 12.1 percent) and Illinois (16,600 jobs, 8.4 percent). Idaho (14.8 percent, 4,800 jobs) added the highest percentage of new construction jobs during the past year, followed by North Dakota (12.1 percent, 4,000 jobs), Washington and Colorado (10.4 percent, 14,500 jobs).

Nine states shed construction jobs during the past 12 months while construction employment was unchanged in D.C. West Virginia (-2,400 jobs, -7.2 percent) and Mississippi (-2,400 jobs, -4.7 percent) were tied for the most construction jobs lost. Other states that lost a high number of construction jobs for the year were Indiana (-1,900 jobs, -1.6 percent), Ohio (-1,400 jobs, -0.7 percent) and Nebraska (-600 jobs, -1.6 percent.)

Texas (-5,800 jobs, -0.9 percent) lost the most construction jobs between February and March. Other states experiencing large monthly declines in total construction employment included Ohio (-4,500 jobs, -2.3 percent), Kentucky (-4,100 jobs, -5.4 percent), Georgia (-3,500 jobs, -2.2 percent) and Arkansas (-3,400 jobs, -6.9 percent). Arkansas lost the highest percent of construction jobs, followed by Kentucky, West Virginia (-4.3 percent, -1,400 jobs) and New Mexico (-3.0 percent, -1,300 jobs).

Nineteen states added construction jobs during the past month, while construction employment was unchanged in Maine and Montana. California (7,300 jobs, 1.0 percent) added the most jobs, followed by Florida (6,500 jobs, 1.6 percent), Illinois (3,600 jobs, 1.7 percent) and Washington (2,800 jobs, 1.6 percent). Mississippi (2.3 percent, 1,100 jobs) had the highest percentage increase for the month, followed by Delaware (2.0 percent, 400 jobs), Nevada (2.0 percent, 1,300 jobs) and Illinois.

Association officials said the industry's recovery was at risk amid weakening demand and urged Congress and the Obama administration to act quickly to figure out a way to pay for and pass legislation to repair aging roads, bridges and transit systems, as well as other public infrastructure. They added that road users should visit www.DriveBetterRoads.org (link is external) to share their stories of bad road conditions and urge Washington to act.

"The construction industry has clearly hit a soft patch," said Stephen E. Sandherr, the association's chief executive officer. "Passing needed infrastructure measures will certainly help keep construction employment levels from backsliding." View the state employment data by rank and state. View state employment map.

- See more at: <https://www.agc.org/news/2015/04/21/construction-employment-increased-41-states-during-past-year-29-states-and-dc-lost#sthash.obpHIKwU.douf> - -

AGC CONSTRUCTION SPENDING FORECAST – May 1, 2015

CONSTRUCTION SPENDING IN MARCH RISES FROM YEAR EARLIER BUT SLIPS FROM FEBRUARY; MOST PRIVATE SEGMENTS POST STRONG YEAR-OVER-YEAR GAINS

Power Construction Posts Big First Quarter Decline Amid Dropping Energy Prices; Highway Funding in Jeopardy unless Congress and Administration Act Quickly on New Legislation, Construction Officials Warn

Construction spending slipped in March from upwardly revised February totals but increased modestly from a year earlier, according to an analysis by the Associated General Contractors of America. Association officials cautioned, however, that those spending gains could be at risk if Congress and the Obama administration fail to address highway funding shortfalls that threaten to undermine the sector's recovery.

"The first quarter as a whole was positive for all major categories of construction despite a weak March for residential and public construction spending," said Ken Simonson, the association's chief economist. "Current indications suggest private nonresidential construction and multifamily housing will continue to grow throughout the year. But funding for infrastructure is in jeopardy, which threatens to hold down public construction."

Construction spending in March totaled \$967 billion at a seasonally adjusted annual rate, 0.6 percent lower than the upwardly revised February figure but 2.0 percent higher than in March 2014, Simonson said. For the first three months of 2015 combined, spending exceeded the first-quarter 2014 total by 3.2 percent. Simonson added that weather-related anomalies in the first few months of the year, along with revisions to prior data, mean year-to-date comparisons for the full quarter are more revealing than figures for a single month.

Private residential spending edged up 0.9 percent from the first quarter of 2014 to the same period in 2015, while private nonresidential spending increased 6.4 percent and public construction spending rose 1.7 percent. However, these relatively mild overall increases masked large swings among some components, Simonson pointed out.

"Among the three residential categories, multifamily construction spending surged 27 percent in the first quarter compared with the year-ago period," he commented. "New single-family construction rose 10

percent, while residential improvements supposedly plunged 25 percent. However, the improvements data is very unreliable.”

Simonson observed that the largest private nonresidential component, power construction, declined 16 percent in the first quarter. However, other large private nonresidential segments rose steeply in the period: manufacturing construction, up 35 percent from the first three months of 2014; commercial (retail, warehouse and farm), up 17 percent; and office, up 23 percent. In contrast, the biggest public segments had year-to-date declines: highway and street construction, down 2.9 percent; and educational, down 1.1 percent.

Association officials cautioned that highway and street construction investments were likely to continue declining unless Congress and the administration can work out a way to pay for and pass new legislation to repair the nation’s aging roads and bridges before the program expires later this month. They urged motorists to visit www.DriveBetterRoads.org (link is external) to share stories of bad road conditions in their areas.

“If Washington can’t figure out a way to fix our roads and bridges, investment in public construction is likely to decline,” said Stephen E. Sandherr, the association’s chief executive officer.

• See more at: <https://www.agc.org/news/2015/05/01/construction-spending-march-rises-year-earlier-slips-february-most-private-segments#sthash.2Y9i4wZ4.dpuf>

AGENDA ITEM C-2

Review of Multi-State Partnering Accomplishments



AGENDA ITEM C-3

Discussion Regarding NSCB and CSLB Strategic Plans for FY 2015-16





CONTRACTORS STATE LICENSE BOARD

STRATEGIC PLAN – 2015-16 OBJECTIVES

(E) “Essential”

(I) “Important”

(B) “Beneficial”

ENFORCEMENT OBJECTIVES	TARGET	DESCRIPTION
1. Public Works (I)	August 2015	Review and revise memorandum of understanding with the Labor Commissioner’s Office.
2. Establishment of Government Accounts to Obtain Court Records (I)	October 2015	County criminal records are online, but require establishment of a fee-based account to access them.
3. Refine Proactive Strategies and Objectives (I)	December 2015	Develop a matrix to prioritize proactive response to leads, sweeps, and stings.
4. Revision of Enforcement Manual (E)	December 2015	Establish task force to update and improve the existing complaint handling manual.
5. Update Regulation for Assessment of Civil Penalties (I)	December 2015	Revisit penalty guidelines to determine if they have kept up with inflation and consumer protection requirements.
6. Solar Industry Schemes (E)	June 2016	Develop outreach, education, and enforcement strategies to address deceptive solar tactics.

LEGISLATIVE OBJECTIVES	TARGET	DESCRIPTION
1. Seek Legislation to Authorize Sharing of Licensee Information with the Employment Development Department (E)	July 2015	To address new issue raised by the Department of Consumer Affairs.
2. Prepare Legislative Proposal to Eliminate Capital Requirement for Licensure and Increase Contractor’s Bond by Corresponding Amount (B)	September 2015	To address new issue raised by the Board in the Sunset Review Report; included in SB 465 (Hill).
3. Prepare Draft Proposal to reorganize Contractors State License Law (I)	December 2015	To make the law easier to follow.
4. Prepare Legislative Proposal to Provide for Comprehensive Rewrite of the Home Improvement Contractor Provisions (B)	December 2015	To address new issue raised by the Board in the Sunset Review Report.
5. Seek Amendments to Arbitration Program Statutory Provisions (I)	December 2015	To address the awarding of attorney’s fees as a result of participation in arbitration program.



(E) “Essential”

(I) “Important”

(B) “Beneficial”

LICENSING & TESTING OBJECTIVES	TARGET	DESCRIPTION
1. Research Security Devices for Testing Center and Workshop Conference Room Windows (I)	December 2015	Research and evaluate various security devices that could be installed in test centers and conference rooms.
2. Evaluate Testing Centers for Functionality (I)	December 2015	Determine possible improvements to the layout (floor plan, types of cubicles, etc.) of test centers.
3. Research National Contractor Examinations (B)	December 2015	Testing division staff will review and evaluate existing examinations for licensure in the construction field.
4. Install Surveillance Cameras in Testing Centers (I)	December 2015	The Department of General Services is putting this project out to bid. This will enhance the security at all eight test centers.
5. Develop and apply consistent application experience evaluation criteria (E)	January 2016	Training of all application staff conducted in May 2014 on existing evaluation criteria; task force to be appointed to develop regulation proposal(s) for evaluation criteria.
6. Develop online smart application package to reduce application rejection rates (I)	January 2016	Currently tied to DCA BreZE project. Research other options to move forward.
7. Fully automate bonds and workers' compensation insurance submission processes (I)	January 2016	Currently tied to DCA BreZE project. Research other options to move forward.
8. Implement online licensure tool for credit card payment (B)	January 2016	Currently tied to DCA BreZE project. Research other options to move forward.
9. Review Current Reciprocity Agreements (I)	January 2016	Review current agreements with Arizona, Nevada, and Utah; research licensing criteria for other states to determine whether reciprocity should/can be expanded.
10. Determine Feasibility of Tiered General Building “B” Classification (I)	January 2016	Determine whether a secondary “B” classification is needed to address contractors who provide home improvement services that do not include structural changes.
11. Fully Implement SCORE 2.0 (E)	September 2016	The most critical SCORE 2.0 modules will be completed first, with completion date of Fall 2016. SCORE 2.0 will provide enhanced functionality for examination development and administration.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

PUBLIC AFFAIRS OBJECTIVES	TARGET	DESCRIPTION
1. Complete Flagship Consumer Publication (E)	July 2015	Continued from 2014-15 Strategic Plan.
2. Complete Flagship Contractor Publication (E)	September 2015	Continued from 2014-15 Strategic Plan.
3. Determine Legality to Develop "State of California Licensed Contractor" Logo for Use by Licensees (B)	September 2015	Research legality of developing logo that can be used by licensees to promote their licensure by the state of California.
4. Develop Realtor Outreach Program (B)	October 2015	Develop program to educate realtors, a prime referral source for new homeowners to locate contractors.
5. Determine Feasibility of Building a Full-Service Broadcast Studio (I)	December 2015	Assess feasibility/costs of constructing a broadcast studio in space currently occupied by Public Affairs Office staff.
6. Determine Feasibility of Updating Technology in John C. Hall Hearing Room (B)	January 2016	Assess feasibility/cost of updating hearing room to improve audio/visual services for meeting participants and audience.
7. Develop Schedule for Development of an Opt-In, "Find a Contractor" Website Feature (E)	February 2016	Determine schedule to develop website feature that will allow consumers to identify licensed contractors.
8. Determine Feasibility of Developing a Mobile Web App (I)	March 2016	Research current technology to determine if there's a need/opportunity to create any mobile app(s).
9. Develop Features for Use on Contractors/Industry Members' Websites (I)	April 2016	Utilize Rich Site Summary (RSS) to create content that can be used on licensee or industry group websites.
10. Develop CSLB Style Guide and Standards Manual (B)	June 2016	Continued from 2014-15 Strategic Plan.



(E) "Essential"

(I) "Important"

(B) "Beneficial"

INFORMATION TECHNOLOGY OBJECTIVES	TARGET	DESCRIPTION
1. Implement ePayment Expansion to field sites (I)	Spring 2016	Expand ePayment to cover California's Northern (Sacramento), Central (Fresno) and Southern (Norwalk, San Bernardino and San Diego) regions. Will allow contractors to pay 16 payment types by major credit cards.
2. Implement ePayment Online (I)	Winter 2015	Will allow contractors to pay 16 payment types by major credit cards from anywhere (online).
3. Implement Home Improvement Salesperson (HIS) Online Application (I)	Spring 2016	Enables HIS applicants to submit application online as well as give them the ability to renew registration online.
4. Increase Network Bandwidth to Field Sites (E)	Spring 2016	Field sites network bandwidth is currently limited and slow, IT staff will upgrade network circuits to increase the available bandwidth to allow the Board to implement Enterprise IT solutions.



IX. action plan

The following section includes a list of actions currently underway and strategic objectives that will help NSCB meet each of its goals.

These objectives were updated in March of 2015 and were based on the Board's review of the 2014-2015 Strategic Plan. Performance measures and desired outcomes are also identified for each goal area.

“I am very pleased by the service and with the positive support I got from the investigator and his help in getting my complaint resolved.”

— *Lucas J.*



GOAL 1: LICENSING

Ensure that all applicants and licensees are qualified to provide construction services and that licensing services are delivered in a timely and professional manner.

ongoing responsibilities	lead responsibility
Ensuring that all applicants meet experience and financial responsibility requirements, pass required examinations and complete background checks.	Licensing Staff
Ensuring that the license classification system is consistent with industry best practices.	Licensing Staff
Ensuring that license exams are up-to-date and consistent with industry best practices.	Licensing Staff



GOAL 1: LICENSING

Ensure that all applicants and licensees are qualified to provide construction services and that licensing services are delivered in a timely and professional manner.

specific objectives 2015-2016		lead responsibility	completion date
1.A	Work with the Public Information Office to improve license application forms.	Licensing Staff	September 2015
1.B	Create a new B-6 license classification for tenant improvement work in high rise buildings.	Licensing Staff	November 2015
1.C	Continue to streamline systems and processes within the following areas: (i) application and (ii) license denial process.	Licensing Staff	June 2016

performance measures	desired outcomes
Timeliness	Qualified and licensed professional contractors
Customer Experience	Satisfied licensees



GOAL 2: ENFORCEMENT

Reduce and prevent unlicensed activity and unprofessional conduct that pose a threat to public safety and threaten legitimate business activity.

ongoing responsibilities	lead responsibility
Responding to complaints from the public in a timely manner and enforcing regulations to protect public health, safety and welfare.	Enforcement Staff
Facilitating early intervention on serious life safety complaints.	Enforcement Staff
Ensuring that disciplinary processes are effective and fair.	Enforcement Staff
Increasing enforcement of unlicensed contracting activities.	Enforcement Staff
Strengthening efforts to prevent and prosecute elder abuse.	Enforcement Staff
Improving enforcement in rural areas.	Enforcement Staff
Coordinating with local law enforcement agencies in identifying potential fraudulent contractors	Enforcement Staff
Partnering with the District Attorney's office to aggressively prosecute elder abuse.	Enforcement Staff



GOAL 2: ENFORCEMENT

Reduce and prevent unlicensed activity and unprofessional conduct that pose a threat to public safety and threaten legitimate business activity.

specific objectives 2015-2016		lead responsibility	completion date
2.A	Increase the Board's capacity to better address non-residential construction issues through staff training and recruitment.	Enforcement Staff	January 2016
2.B	Partner with the Public Information Office to promote the value and public safety message of sting events and related activities.	Enforcement Staff	June 2016
2.C	Establish a proactive approach to monitoring activities on very large construction projects.	Enforcement Staff	June 2016

performance measures	desired outcomes
Timeliness	Satisfied claimants
Customer Experience	Clear resolution of claims
Quality of Enforcement	Increased investigations of unlicensed activity
Value of the Contractor License	Fair and competitive marketplace
Fiscal Management of Recovery Fund	Recovery Fund solvency



GOAL 3: PUBLIC AWARENESS AND INFORMATION

Enhance the visibility of the NSCB and ensure that accurate information is available to the public and professionals through a variety of media.

ongoing responsibilities	lead responsibility
Maximizing public awareness of NSCB services and the benefits of hiring a licensed contractor through continued public outreach initiatives.	Public Information Officer
Enhancing the use of online services.	Public Information Officer
Keeping public information and collateral materials up-to-date.	Public Information Officer
Maximizing the use of the NSCB newsletter and website to provide timely information.	Public Information Officer
Expanding customer awareness of the Residential Recovery Fund.	Public Information Officer
Improving Board effectiveness through partnerships and intergovernmental relationships.	Public Information Officer
Surveying partners on a regular basis to improve two-way communication.	Public Information Officer
Working with city and county building departments to increase awareness of the Board.	Public Information Officer



GOAL 3: PUBLIC AWARENESS AND INFORMATION

Enhance the visibility of the NSCB and ensure that accurate information is available to the public and professionals through a variety of media.

specific objectives 2015-2016		lead responsibility	completion date
3.A	Partner with organizations that serve seniors in an effort to combat elder abuse and to better inform this population of the NSCB role and the services it provides.	Public Information Officer	June 2016
3.B	Conduct town hall meetings with target audience such as seniors and homeowner groups to identify key consumer issues.	Public Information Officer	June 2016
3.C	Organize a media day to positively communicate the Board's mission, role and capabilities.	Public Information Officer	December 2015
3.D	Promote the Residential Recovery Fund by describing what it is, who is eligible to receive funds, and the process for receiving aid.	Public Information Officer	October 2015



GOAL 3: PUBLIC AWARENESS AND INFORMATION

Enhance the visibility of the NSCB and ensure that accurate information is available to the public and professionals through a variety of media.

specific objectives 2015-2016		lead responsibility	completion date
3.E	Utilize a public information budget format showing a range of costs for varying levels of outreach and information materials.	Public Information Officer	August 2015
3.F	Develop a plan and proposal for creating a new customer service and satisfaction survey.	Public Information Officer	December 2015

performance measures	desired outcomes
Timeliness	Accurate, relevant, readily available information for professionals and the general public
Customer Experience	Satisfied customers



GOAL 4: BOARD DEVELOPMENT

Ensure that Board members are well-supported to develop policy and provide direction to Board staff.

ongoing responsibilities	lead responsibility
Focusing Board efforts and activities on policy, governance and strategic plan implementation.	Executive Team Members
Keeping the new Board member orientation and training program up-to-date.	Executive Team Members
Assisting Board members in learning the Contractors License Law and Administrative Code.	Executive Team Members
Partnering with contractor associations, law enforcement, building officials and governmental agencies to address topics of mutual interest.	Executive Team Members



GOAL 4: BOARD DEVELOPMENT

Ensure that Board members are well-supported to develop policy and provide direction to Board staff.

specific objectives 2015-2016		lead responsibility	completion date
4.A	Continue to identify and offer new trainings applicable to Board member roles and responsibilities.	Executive Team Members	June 2016
4.B	Develop talking points to better communicate the Board's role and function to internal and external audiences.	Executive Team Members	September 2015



GOAL 4: BOARD DEVELOPMENT

Ensure that Board members are well-supported to develop policy and provide direction to Board staff.

performance measures	desired outcomes
Board Engagement	Board is active and engaged, providing clear direction to staff



GOAL 5: ADMINISTRATIVE EFFICIENCY

Improve agency operations and technology to enhance regulatory efficiency, customer service and consumer protection.

ongoing responsibilities	lead responsibility
Providing excellent customer service and continuing to develop and modify programs to improve customer experience.	Executive Team Members
Periodically surveying peer agencies for best practices, benchmarking NSCB performance and re-engineering and refining Board processes as needed.	Executive Team Members
Tracking performance measures and focus on improving processes that fall below their targets or exceed budgets.	Executive Team Members
Improving and maintaining IT systems and the use of technology for document imaging, investigative services and other agency functions.	Executive Team Members
Fostering a culture of teamwork and collaboration.	Executive Team Members
Developing an annual strategic plan, measuring results and updating the plan on a periodic basis.	Executive Team Members
Ensuring that all Board staff members are aware of employment policies and procedures.	Executive Team Members



GOAL 5: ADMINISTRATIVE EFFICIENCY

Improve agency operations and technology to enhance regulatory efficiency, customer service and consumer protection.

ongoing responsibilities	lead responsibility
Recognizing Board employees for superior performance.	Executive Team Members
Seeking opportunities to leverage resources through creative partnerships.	Executive Team Members

specific objectives 2015-2016		lead responsibility	completion date
5.A	Develop a plan for completing the document digitization project.	Executive Team Members	July 2015
5.B	Develop a staffing plan to prepare for increased workloads.	Executive Team Members	September 2015
5.C	Implement the new licensing and enforcement database system.	Executive Team Members	June 2016
5.D	Create a pool of administrative law judges to handle the Board's current and future case load.	Executive Team Members	December 2015
5.E	Identify opportunities to meet with and engage members of the Legislature during the interim period.	Executive Team Members	June 2016
5.F	Review the Board's internal processes and procedures.	Executive Team Members	January 2016

AGENDA ITEM C-4

Discussion Concerning Solar Construction and Related Enforcement Trends



AGENDA ITEM C-5

Discussion Regarding Tiered General Contractors



AGENDA ITEM C-6

Overview of Public Outreach Strategies and Affiliated Media Campaigns





Overview of Potential HVAC Energy Savings

Most energy providers and the U.S. Environmental Protection Agency's Energy Star program offer online tools that calculate your expected average monthly savings with HVAC systems that meet energy efficiency requirements. Over the lifetime of the equipment, a properly installed HVAC unit can yield up to a 300 percent return on your investment through lower energy bills.

EnergyStar.Gov recommends the following:

Energy Efficient Equipment

If your HVAC equipment is more than 10 years old or not keeping your house comfortable, have it evaluated by a professional HVAC contractor. If it is not performing efficiently or needs upgrading, consider replacing it with a unit that has earned the ENERGY STAR. Depending on where you live, replacing your old heating and cooling equipment with ENERGY STAR-qualified equipment can cut your energy bill by nearly \$200 a year.



Duct Sealing

Duct systems that are properly sealed and insulated can make homes much more comfortable and energy efficient. Sealing and insulating ducts can improve the efficiency of a home's heating and cooling system by as much as 20 percent.



Quality HVAC Installation

Replacing your old heating and cooling equipment with new, energy-efficient models is a great start. But to make sure that you get the best performance, the new equipment must be properly installed. In fact, improper installation can reduce system efficiency by up to 30 percent.





Doing It Right!

The Contractors State License Board and the California Energy Commission want consumers who are planning to purchase and install new heating, ventilating, and air-conditioning (HVAC) units to fully realize the anticipated savings from their investment in energy efficient equipment, and to avoid unscrupulous contractors. A hassle-free experience depends on understanding the benefits of having the job done right, and the potential risks when it isn't.



Use the HVAC checklist on the following page to protect yourself and your investment.

RIGHT CONTRACTOR <i>Job Done Correctly</i>		WRONG CONTRACTOR <i>Potential Risks</i>
<p>Hire a licensed contractor in good standing with the Contractors State License Board (CSLB) to ensure recourse through the CSLB complaint process.</p> <p>"Check the License" at www.cslb.ca.gov or by calling 800-321-2752</p>	VS	<p>Hiring an unlicensed contractor or a licensed contractor not in good standing may result in a poor or incomplete installation and limits your ability to seek financial redress.</p>
<p>Be sure the contractor carries workers' compensation insurance when using employees so you won't be financially responsible for any injuries sustained on the job.</p>	VS	<p>Using a contractor who does not carry workers' compensation insurance may subject you to liability for the costs of medical care and rehabilitation for any worker(s) injured on your property.</p>
<p>Obtain a building permit so the building department can confirm proper installation through an inspection.</p>	VS	<p>Forego a permit and there will be no independent 3rd-party inspection of the work and you may be charged fines and penalties.</p>
<p>Ensure that ducts are properly sealed and insulated to realize energy savings of up to 20%.</p>	VS	<p>Improperly sealed and insulated duct systems leak, decreasing heating and cooling efficiency.</p>
<p>Receive a final inspection to confirm that your HVAC system is operating properly to yield energy savings—up to 300% over the life of the equipment.</p>	VS	<p>HVAC units not subject to final inspection may reduce your system's efficiency by up to 30%.</p>



Instant License Check Example from CSLB's Website

License Status

Look for the **green** text color next to "License Status" to make sure the selected license is active and eligible to perform work within the scope of the trade classification(s).

Workers' Compensation Insurance

If the selected contractor license indicates workers' compensation insurance, work may be performed using employees who are covered under their policy. If workers' compensation insurance is not indicated, the licensee has certified that employees **do not** work for the contractor.

License Number	555555	Extract Date	5/1/2015
Business Information	F & H Property Management 5555 Dream House Way Mayberry, CA 55555		
Entity	Sole Ownership		
Issue Date	12/15/2012		
Expire Date	12/31/2014		
License Status	ACTIVE This license is current and active. All information below should be reviewed.		
Classifications	CLASS	DESCRIPTION	
	C20	WARM-AIR HEATING, VENTILATING AND AIR-CONDITIONING	
Bonding	CONTRACTOR'S BOND This license filed a Contractor's Bond with AMERICAN CONTRACTORS INDEMNITY COMPANY . Bond Number: XXXXXX Bond Amount: \$12,500 Effective Date: 11/06/2012		
Workers' Compensation	WORKERS' COMPENSATION This license has workers compensation insurance with STATE COMPENSATION INSURANCE FUND . Policy Number: XXXXXX Effective Date: 07/22/2013 Expire Date: 07/22/2014 Workers' Compensation History		



HVAC Checklist

- Licensed Contractor**
Hire a state-licensed contractor and verify that your contractor is in good standing at www.cslb.ca.gov or by calling (800) 321-CSLB (2752).
- Obtain a Permit**
Make sure your contractor obtains a building permit from your local building department. Beware of any contractor that offers a lower price to install a unit without a permit; having a permit ensures work will be inspected.
- 3-Day Right to Cancel**
Make sure your contract includes a 3-day right to cancel clause. Information about home improvement contracts can be found in the Consumers section of CSLB's website.
- Insurance**
Verify that your contractor has workers' compensation (WC) and general liability insurance. WC insurance can be verified at www.cslb.ca.gov or by calling (800) 321-CSLB (2752). Homeowners may be financially liable for the cost of medical care for worker(s) who are injured on their property.
- Written Contract**
Insist on a written, fix-priced contract and don't sign anything until you completely understand the terms.
- Down Payment**
Do not pay more than 10% down or \$1,000, whichever is less.
- Payment Schedule**
Do not make payments ahead of the work. Keep a record of all payments.
- Permit Inspections**
Make sure that your local building department performs all required inspections, including in progress and final inspections, and that there are not any correction notices or red tags. Inspections ensure proper installation.
- Final Payment**
Do not make final payment before the final inspection has been conducted, the permit completed by the building department, and you are satisfied with the work.
- Documentation**
Keep a file of all documents and photos related to your project.

AGENDA ITEM C-7

Overview of CSLB and NSCB Enforcement Goals and Objectives



AGENDA ITEM C-8

Overview of CSLB and NSCB Licensing Goals and Objectives



AGENDA ITEM D

Adjournment

